

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CENDANT CORPORATION

(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

06-0918165  
(I.R.S. Employer Identification No.)

9 WEST 57TH STREET  
NEW YORK, NEW YORK 10019  
(212) 413-1800  
FAX: (212) 413-1922

(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)

JAMES E. BUCKMAN, ESQ.  
VICE CHAIRMAN AND GENERAL COUNSEL  
CENDANT CORPORATION  
9 WEST 57TH STREET  
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(212) 413-1800  
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including area code, of agent for service)

COPY TO:

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Cendant Corporation  
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:  
AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If the securities being registered on this Form are to be offered in  
connection with the formation of a holding company and there is compliance with  
General Instruction G, check the following box. / /

If this form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, check the following box and  
list the Securities Act registration number of the earlier effective  
registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(d)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement

for the same offering. / /

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CALCULATION OF REGISTRATION FEE

PROPOSED MAXIMUM  
PROPOSED MAXIMUM  
TITLE OF EACH  
CLASS AMOUNT TO  
BE OFFERING PRICE  
PER AGGREGATE  
OFFERING AMOUNT  
OF OF SECURITIES  
TO BE REGISTERED  
REGISTERED  
UNIT(1) PRICE(1)  
REGISTRATION FEE  
6 7/8% Notes due  
2006.....  
\$850,000,000 100%  
\$850,000,000  
\$212,500

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended.  
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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED NOVEMBER 2, 2001

PROSPECTUS

OFFER TO EXCHANGE \$850,000,000 6 7/8 % NOTES DUE 2006 FOR \$850,000,000  
6 7/8 % NOTES DUE 2006, WHICH HAVE BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933, OF

[LOGO]

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M.,  
NEW YORK CITY TIME, ON \_\_\_\_\_, 2001, UNLESS EXTENDED.

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Terms of the exchange offer:

- The exchange notes are being registered with the Securities and Exchange Commission and are being offered in exchange for the original notes that were previously issued in an offering exempt from the Securities and Exchange Commission's registration requirements. The terms of the exchange offer are summarized below and more fully described in this prospectus.
- We will exchange all original notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.
- You may withdraw tenders of original notes at any time prior to the expiration of the exchange offer.
- The exchange of original notes will not be a taxable event for United States federal income tax purposes.
- We will not receive any proceeds from the exchange offer.
- The terms of the exchange notes are substantially identical to the original notes, except that the exchange notes are registered under the

Securities Act and the transfer restrictions and registration rights applicable to the original notes do not apply to the exchange notes.

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SEE "RISK FACTORS" BEGINNING ON PAGE 10 FOR A DISCUSSION OF THE RISKS THAT SHOULD BE CONSIDERED BY HOLDERS PRIOR TO TENDERING THEIR ORIGINAL NOTES.

PRINCIPAL AMOUNT	ANNUAL INTEREST	FINAL DISTRIBUTION DATE
\$850,000,000	6 7/8%	August 15, 2006

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The date of this prospectus is \_\_\_\_\_, 2001.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CENDANT. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF CENDANT SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION WHERE, OR TO ANY PERSON WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION CONTAINED IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE OF THIS PROSPECTUS UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES.

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#### CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Forward-looking statements in this prospectus about Cendant are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives.

Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "project", "estimates", "plans", "may increase", "may fluctuate" and similar expressions or future or

conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical acts. You should understand that the following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the impacts of the September 11, 2001 terrorist attacks on New York City and Washington D.C. on the travel industry in general, and our travel businesses in particular, are not known at this time, but are expected to include negative impacts on financial results due to reduced demand for travel in the near term; other attacks, acts of war or measures taken by governments in response thereto may negatively affect the travel industry, our financial results and could also result in a disruption of our business;
- the effect of economic conditions and interest rate changes on the economy on a national, regional or international basis and the impact thereof on our businesses;
- the effects of a decline in travel, due to political instability, adverse economic conditions or otherwise, on our travel related business;
- the effects of changes in current interest rates, particularly on our real estate franchise and mortgage businesses;
- the resolution or outcome of our unresolved pending litigation relating to the previously announced accounting irregularities and other related litigation;
- our ability to develop and implement operational, technological and financial systems to manage growing operations and to achieve enhanced earnings or effect cost savings;
- competition in our existing and potential future lines of business and the financial resources of, and products available to, competitors;
- failure to reduce quickly our substantial technology costs in response to a reduction in revenue, particularly in our global distribution systems business;
- our failure to provide fully integrated disaster recovery technology solutions in the event of a disaster;
- our ability to integrate and operate successfully acquired and merged businesses and risks associated with such businesses, including the acquisitions of Avis Group Holdings, Inc., Fairfield Resorts, Inc., Galileo International, Inc. and Cheap Tickets, Inc., the compatibility of the operating systems of the combining companies, and the degree to which our existing administrative and back-office functions and costs and those of the acquired companies are complementary or redundant;

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- our ability to obtain financing on acceptable terms to finance our growth strategy and to operate within the limitations imposed by financing arrangements and rating agencies;
- competitive and pricing pressures in the vacation ownership and travel industries, including the car rental industry;
- changes in the vehicle manufacturer repurchase arrangements between vehicle manufacturers and Avis Group Holdings, Inc. in the event that used vehicle values decrease; and
- changes in laws and regulations, including changes in accounting standards and privacy policy regulation.

Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control.

You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures we make in our Quarterly Reports on Form 10-Q, Annual Report on Form 10-K and Current Reports on Form 8-K to the Securities and Exchange Commission (the "SEC"). See "Where You

Can Find More Information." Also note that we provide a cautionary discussion of risks and uncertainties under "Risk Factors" on page 10 of this prospectus. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could also adversely affect us. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We are "incorporating by reference" the information we file with the SEC into this prospectus, which means that we are disclosing important business and financial information to you by referring you to another document filed separately with the SEC. Certain information that Cendant files after the date of this prospectus with the SEC will automatically update and supersede this information. Cendant incorporates by reference into this prospectus the documents listed below and any future filings made with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), until the completion of the offering of the exchange notes.

- Annual Report on Form 10-K/A for the year ended December 31, 2000, filed on July 3, 2001;
- Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 14, 2001;
- Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2001, filed on July 3, 2001;
- Current Reports on Form 8-K dated January 9, 2001, January 18, 2001, February 7, 2001 (filed on February 8, 2001), February 8, 2001, February 20, 2001, March 1, 2001 (filed on March 9, 2001), March 12, 2001, April 2, 2001 (filed on April 3, 2001), April 18, 2001 (filed on April 19, 2001), April 19, 2001, April 18, 2001 (filed on April 19, 2001), May 2, 2001, May 4, 2001, May 10, 2001 (filed on May 11, 2001), May 24, 2001 (filed on May 25, 2001), June 13, 2001 (filed on June 15, 2001), June 15, 2001 (filed on June 18, 2001), July 2, 2001 (filed on July 3, 2001), July 10, 2001, July 18, 2001 (filed on July 19, 2001), July 19, 2001, July 23, 2001, July 30, 2001 (filed on July 31, 2001), July 31, 2001 (filed on August 1, 2001), August 1, 2001 (filed on August 2, 2001), August 16, 2001, August 24, 2001 (filed on August 27, 2001), August 30, 2001, October 1, 2001 (filed on October 2, 2001), October 15, 2001, October 17, 2001 (filed on October 18, 2001) and October 23, 2001;

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- Current Reports on Form 8-K/A dated January 19, 2001, March 21, 2001 and July 23, 2001 (filed on July 24, 2001); and
- The description of Cendant's CD common stock contained in the Proxy Statement dated February 10, 2000, filed on February 11, 2000.

All documents filed by Cendant with the SEC from the date of this prospectus to the completion of the offering of the exchange notes under this prospectus shall also be deemed to be incorporated herein by reference.

Any statement contained in a document incorporated or considered to be incorporated by reference in this prospectus shall be considered to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any subsequently filed document that is or is considered to be incorporated by reference modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus.

You may request a copy of any of the documents which are incorporated by reference in this prospectus, other than exhibits which are not specifically incorporated by reference into such documents and our Certificate of Incorporation and By-laws, at no cost, by writing or telephoning Cendant at the following:

Investor Relations  
Cendant Corporation  
9 West 57th Street  
New York, NY 10019  
Telephone: (212) 413-1800

IN ORDER TO OBTAIN TIMELY DELIVERY, YOU MUST REQUEST THIS INFORMATION NO LATER THAN 5 BUSINESS DAYS BEFORE YOU MAKE YOUR INVESTMENT DECISION.

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The following summary highlights selected information from this prospectus and may not contain all of the information that is important to you. This prospectus includes specific terms of the exchange notes we are offering, as well as information regarding our business. We encourage you to read this prospectus in its entirety. You should pay special attention to the "Risk Factors" section beginning on page 10 of this prospectus. All references to "we," "us," "our," or "Cendant" in this prospectus are to Cendant Corporation.

CENDANT

We are one of the foremost providers of travel and real estate services in the world. We currently operate in five business segments: Real Estate Services, Hospitality, Vehicle Services, Travel Distribution and Financial Services. Our businesses provide a wide range of consumer and business services which are intended to complement one another and create cross-marketing opportunities both within each segment and between segments.

- Our Real Estate Services segment franchises real estate brokerage businesses, provides home buyers with mortgages and assists in employee relocations.
- Our Hospitality segment franchises hotel businesses and facilitates the sale and exchange of vacation ownership interests.
- Our Vehicle Services segment operates and franchises car rental businesses, provides fleet management services to corporate clients and government agencies and operates parking facilities in the United Kingdom.
- Our Travel Distribution segment, created through the acquisitions of Galileo International, Inc. and Cheap Tickets, Inc. in October 2001, provides travel agencies, internet travel sites, corporations and consumers with the ability to electronically access schedule and fare information, book reservations and issue tickets for more than 500 airlines utilizing our computerized reservation system and provides corporations and consumers with travel agency services.
- Our Financial Services segment provides marketing strategies primarily to financial institutions by offering an array of financial and insurance-based products to consumers, franchises tax preparation service businesses and provides consumers with access to a variety of discounted products and services.

As a franchisor of hotels, residential and commercial real estate brokerage offices, car rental operations and tax preparation services, we license the owners and operators of independent businesses the right to use our brand names. We do not own or operate hotels, real estate brokerage offices or tax preparation offices. Instead, we provide our franchisees with services designed to increase their revenue and profitability.

Our principal executive officers are located at 9 West 57th Street, New York, New York 10019. Our telephone number is (212) 413-1800. Our web site is [www.cendant.com](http://www.cendant.com). The information contained on our web site is not incorporated by reference in this prospectus.

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We continually explore and conduct discussions with regard to acquisitions and other strategic corporate transactions in our industries and in other franchise, franchisable or service businesses in

addition to the transactions previously announced. As part of our regular on-going evaluation of acquisition opportunities, we currently are engaged in a number of separate, unrelated preliminary discussions concerning possible acquisitions. The purchase price for the possible acquisitions may be paid in cash, through the issuance of CD common stock or other of our securities, borrowings, or a combination thereof. Prior to consummating any such possible acquisition, we will need to, among other things, initiate and complete satisfactorily our due diligence investigations; negotiate the financial and other terms (including price) and conditions of such acquisitions; obtain appropriate Board of Directors, regulatory and other necessary consents and approvals; and, if necessary, secure financing. No assurance can be given with respect to the timing, likelihood or business effect of any possible transaction. In the past, we have been involved in both relatively small acquisitions and acquisitions which have been significant.

In addition, we continually review and evaluate our portfolio of existing businesses to determine if they continue to meet our business objectives. As

part of our ongoing evaluation of such businesses we intend from time to time to explore and conduct discussions with regard to joint ventures, divestitures and related corporate transactions. However, we can give no assurance with respect to the magnitude, timing, likelihood or financial or business effect of any possible transaction. We also cannot predict whether any divestitures or other transactions will be consummated or, if consummated, will result in a financial or other benefit to us. We intend to use a portion of the proceeds from any such dispositions and cash from operations to retire indebtedness, make acquisitions and for other general corporate purposes.

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#### SUMMARY OF THE EXCHANGE OFFER

On August 13, 2001, we completed the private offering of \$850,000,000 aggregate principal amount of 6 7/8 % Notes due 2006. As part of that offering, we entered into a registration rights agreement with the initial purchasers of these original notes in which we agreed, among other things, to deliver this prospectus to you and to complete an exchange offer for the original notes. Below is a summary of the exchange offer.

Securities Offered..... Up to \$850,000,000 aggregate principal amount of new 6 7/8 % Notes due 2006, which have been registered under the Securities Act. The form and terms of these exchange notes are identical in all material respects to those of the original notes. The exchange notes, however, will not contain transfer restrictions and registration rights applicable to the original notes.

The Exchange Offer..... We are offering to exchange new \$1,000 principal amount of our 6 7/8 % Notes due 2006, which have been registered under the Securities Act, for \$1,000 principal amount of our outstanding 6 7/8 % Notes due 2006.

In order to be exchanged, an original note must be properly tendered and accepted. All original notes that are validly tendered and not withdrawn will be exchanged. As of the date of this prospectus, there are \$850,000,000 aggregate principal amount of original notes outstanding. We will issue exchange notes promptly after the expiration of the exchange offer.

Resales..... Based on interpretations by the staff of the SEC, as detailed in a series of no-action letters issued to third parties, we believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

- you are acquiring the exchange notes in the ordinary course of your business;
- you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate, in a distribution of the exchange notes; and
- you are not an affiliate of ours.

If you are an affiliate of ours, are engaged in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the exchange notes:

- (1) you cannot rely on the applicable interpretations of the staff of the SEC; and
- (2) you must comply with the registration requirements of the Securities Act in connection with any resale transaction.

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Each broker or dealer that receives exchange notes for its own account in exchange for original notes that were acquired as a result of market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any offer to resell, resale, or other transfer of the exchange notes issued in the exchange offer, including the delivery of a prospectus that contains information with respect to any selling holder required by the Securities Act in connection with any resale of the exchange notes.

Furthermore, any broker-dealer that acquired any of its original notes directly from us:

- may not rely on the applicable interpretation of the staff of the SEC's position contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan, Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983); and
- must also be named as a selling noteholder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction.

Expiration Date..... 5:00 p.m., New York City time, on \_\_\_\_\_, 2001  
unless we extend the expiration date.

Accrued Interest on the Exchange Notes and Original Notes..... The exchange notes will bear interest from the most recent date to which interest has been paid on the original notes. If your original notes are accepted for exchange, then you will receive interest on the exchange notes and not on the original notes.

Conditions to the Exchange Offer..... The exchange offer is subject to customary conditions. We may assert or waive these conditions in our sole discretion. If we materially change the terms of the exchange offer, we will resolicit tenders of the original notes. See "The Exchange Offer--Conditions to the Exchange Offer" for more information regarding conditions to the exchange offer.

Procedures for Tendering Original Notes... Except as described in the section titled "The Exchange Offer--Guaranteed Delivery Procedures," a tendering holder must, on or prior to the expiration date:

- transmit a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal, to The Bank of Nova Scotia Trust Company of New York at the address listed in this prospectus; or

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- if original notes are tendered in accordance with the book-entry procedures described in this prospectus, the tendering holder must transmit an agent's message to the exchange agent at the address listed in this prospectus.

See "The Exchange Offer--Procedures for Tendering."

Special Procedures for Beneficial Holders..... If you are the beneficial holder of original notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the exchange offer, you should promptly contact the person in whose name your original notes are registered and instruct that person to tender on your behalf. See "The Exchange Offer--Procedures for Tendering."

Guaranteed Delivery Procedures..... If you wish to tender your original notes and you cannot deliver your original notes, the letter of transmittal



or any other required documents to the exchange agent before the expiration date, you may tender your original notes by following the guaranteed delivery procedures under the heading "The Exchange Offer--Guaranteed Delivery Procedures."

Withdrawal Rights.....	Tenders may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date.
Acceptance of Original Notes and Delivery of Exchange Notes.....	Subject to the conditions stated in the section "The Exchange Offer--Conditions to the Exchange Offer" of this prospectus, we will accept for exchange any and all original notes which are properly tendered in the exchange offer before 5:00 p.m., New York City time, on the expiration date. The exchange notes will be delivered promptly after the expiration date. See "The Exchange Offer--Terms of the Exchange Offer."
Material U.S. Federal Income Tax Consequences.....	Your exchange of original notes for exchange notes to be issued in the exchange offer will not be a taxable event for United States federal income tax purposes. See "Material United States Federal Income Tax Consequences."
Exchange Agent.....	The Bank of Nova Scotia Trust Company of New York is serving as exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are listed under the heading "The Exchange Offer--Exchange Agent."
Use of Proceeds.....	We will not receive any proceeds from the issuance of exchange notes in the exchange offer. We will pay all expenses incident to the exchange offer. See "Use of Proceeds."

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SUMMARY OF TERMS OF THE NOTES

The form and terms of the exchange notes and the original notes are identical in all material respects, except that the transfer restrictions and registration rights applicable to the original notes do not apply to the exchange notes. The exchange notes will evidence the same debt as the original notes and will be governed by the same indenture.

Exchange Notes Offered.....	\$850,000,000 aggregate principal amount of 6 7/8% Notes due 2006.
Maturity.....	August 15, 2006.
Interest Rate.....	Interest accrues on the principal amount of the exchange notes at 6 7/8% per year. The interest rate on the exchange notes will be subject to adjustment based on the rating of the notes. See "Description of the Notes--Interest Rate Adjustment."
Interest Payment Dates.....	Interest is payable on the notes on February 15 and August 15 of each year. The first payment will be made on February 15, 2002.
Ranking.....	The exchange notes will be senior unsecured obligations and will rank equally in right of payment with all of our other unsecured senior indebtedness. The exchange notes will be subordinate to all liabilities of our subsidiaries, including trade payables. In addition, our subsidiaries' abilities to pay dividends or make loans to us may be prohibited or otherwise restricted by their respective credit agreements with third parties. See "Description of the Notes--Ranking."

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RISK FACTORS

IN ADDITION TO THE INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS SHOULD BE CAREFULLY CONSIDERED IN EVALUATING THE EXCHANGE

OFFER AND AN INVESTMENT IN THE EXCHANGE NOTES. THE FOLLOWING RISK FACTORS, OTHER THAN "YOU MAY HAVE DIFFICULTY SELLING THE ORIGINAL NOTES THAT YOU DO NOT EXCHANGE," GENERALLY APPLY TO THE ORIGINAL NOTES AS WELL AS THE EXCHANGE NOTES.

WE HAVE HAD ACCOUNTING IRREGULARITIES AND RELATED LITIGATION AND GOVERNMENTAL INVESTIGATIONS.

Cendant was created in December 1997, through the merger of HFS Incorporated into CUC International, Inc. with CUC surviving and changing its name to Cendant Corporation. On April 15, 1998, Cendant announced that in the course of transferring responsibility for Cendant's accounting functions from Cendant personnel associated with CUC prior to the merger to Cendant personnel associated with HFS before the merger and preparing for the report of first quarter 1998 financial results, Cendant discovered accounting irregularities in some of the CUC business units. As a result, Cendant, together with its counsel and assisted by auditors, immediately began an intensive investigation. As a result of the findings of the investigations, Cendant restated its previously reported financial results for 1997, 1996 and 1995 and the six months ended June 30, 1998.

Following the April 15, 1998 announcement of the discovery of accounting irregularities in the former business units of CUC, approximately 70 lawsuits claiming to be class actions, three lawsuits claiming to be brought derivatively on Cendant's behalf and several individual lawsuits and arbitration proceedings were commenced in various courts and other forums against Cendant and other defendants by or on behalf of persons claiming to be stockholders of Cendant and persons claiming to have purchased or otherwise acquired securities or options issued by CUC or Cendant between May 1995 and August 1998.

The SEC and the United States Attorney for the District of New Jersey have conducted investigations relating to the matters referenced above. As a result of the findings from our internal investigations, we made all adjustments considered necessary by Cendant, which are reflected in its previously filed restated financial statements for the years ended December 31, 1997, 1996 and 1995 and for the six months ended June 30, 1998. On June 14, 2000, pursuant to an offer of settlement made by Cendant, the SEC issued an Order Instituting Public Administrative Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings and Imposing a Cease and Desist Order. In such Order, the SEC found that we had violated certain financial reporting provisions of the Exchange Act and ordered us to cease and desist from committing any future violations of such provisions. No financial penalties were imposed against us.

On December 7, 1999, we announced that we had reached a preliminary agreement to settle the principal securities class action pending against Cendant in the U.S. District Court in Newark, New Jersey, brought on behalf of purchasers of all Cendant and CUC publicly traded securities, other than PRIDES, between May 1995 and August 1998. A portion of the PRIDES litigation had previously been settled through the issuance of rights. Under the settlement agreement, we would pay the class members approximately \$2.85 billion in cash and 50% of any recovery we may obtain in connection with claims we have asserted against CUC's former public auditor. The definitive settlement document was approved by the U.S. District Court by order dated August 14, 2000. Certain parties in the class action appealed various aspects of the District Court's orders approving the settlement. In August 2001, the U.S. Court of Appeals for the Third Circuit affirmed the judgment of the District Court approving the settlement (but remanded the case back to the District Court for further proceedings concerning an award of fees to the class attorneys, a matter in which we have no interest). The settlement agreement required us to post collateral in the form of credit facilities and/or surety bonds by November 13, 2000, which we have done.

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The settlement does not encompass all litigations asserting claims against us associated with the accounting irregularities. We do not believe that it is feasible to predict or determine the final outcome or resolution of these unresolved proceedings. An adverse outcome from such unresolved proceedings could be material with respect to earnings in any given reporting period. However, we do not believe that the impact of such unresolved proceedings should result in a material liability to us in relation to our financial position or liquidity.

OUR HOLDING COMPANY STRUCTURE RESULTS IN STRUCTURAL SUBORDINATION AND MAY AFFECT OUR ABILITY TO MAKE PAYMENTS ON THE NOTES.

The notes are obligations exclusively of Cendant. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, depends upon the earnings of our subsidiaries. In addition, we depend on the distribution of earnings, loans or other payments by our

subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations.

Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

At June 30, 2001, our subsidiaries had \$10.6 billion of indebtedness and \$375 million of mandatorily redeemable preferred securities outstanding, without giving effect to the anticipated use of proceeds, in addition to other liabilities, to which the notes would have been structurally subordinated.

YOU MAY HAVE DIFFICULTY SELLING THE ORIGINAL NOTES THAT YOU DO NOT EXCHANGE.

If you do not exchange your original notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your original notes described in the legend on your original notes. The restrictions on transfer of your original notes arise because we issued the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the original notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not intend to register the original notes under the Securities Act. To the extent original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes would be adversely affected. See "The Exchange Offer--Consequences of Exchanging or Failing to Exchange Original Notes."

YOU MAY FIND IT DIFFICULT TO SELL YOUR EXCHANGE NOTES BECAUSE THERE IS NO EXISTING TRADING MARKET FOR THE EXCHANGE NOTES.

You may find it difficult to sell your exchange notes because an active trading market for the exchange notes may not develop. The exchange notes are being offered to the holders of the original notes. The original notes were issued on August 13, 2001 primarily to a small number of institutional

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investors. After the exchange offer, the trading market for the remaining untendered original notes could be adversely affected.

There is no existing trading market for the exchange notes. We do not intend to apply for listing or quotation of the exchange notes on any exchange, and so we do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. Although J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., Credit Lyonnais Securities (USA) Inc., The Royal Bank of Scotland plc, Scotia Capital (USA) Inc., The Williams Capital Group, L.P. and Tokyo-Mitsubishi International plc, the initial purchasers of the original notes, have informed us that they intend to make a market in the exchange notes, they are not obligated to do so, and any market-making may be discontinued at any time without notice. As a result, the market price of the exchange notes, as well as your ability to sell the exchange notes, could be adversely affected.

BROKER-DEALERS OR NOTEHOLDERS MAY BECOME SUBJECT TO THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT.

Any broker-dealer that:

- exchanges its original notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, or
- resells exchange notes that were received by it for its own account in the exchange offer, may be deemed to have received restricted securities and may be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that broker-dealer. Any profit on the resale of the exchange notes and any commission or concessions received by a broker-dealer may be deemed to be underwriting compensation under the Securities Act.

In addition to broker-dealers, any noteholder that exchanges its original certificates in the exchange offer for the purpose of participating in a distribution of the exchange notes may be deemed to have received restricted securities and may be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that noteholder.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. In consideration for issuing the exchange notes, we will receive in exchange the original notes of like principal amount, the terms of which are identical in all material respects to the exchange notes. The original notes surrendered in exchange for exchange notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the exchange notes will not result in any increase in our indebtedness. We have agreed to bear the expenses of the exchange offer. No underwriter is being used in connection with the exchange offer.

On August 13, 2001, we issued and sold the original notes. We are using the net proceeds of that offering, which were approximately \$843 million, for general corporate purposes, which may include acquisitions.

RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth the ratio of earnings to fixed charges of Cendant and its consolidated subsidiaries on a historical basis for each of the periods indicated:

SIX
MONTHS
ENDED
JUNE
30,
2001
FISCAL
YEAR
ENDED
DECEMBER
31, ---
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2000
1999
1998
1997
1996 --
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- - - - -
- - - - -
- - - - -
2.94x
2.67x *
1.33x
1.50x
2.64x

\* Earnings were inadequate to cover fixed charges for the year ended December 31, 1999 (deficiency of \$688 million) as a result of unusual

charges of \$3,032 million, partially offset by \$1,109 million related to net gains on dispositions of businesses. Excluding such charges and net gain, the ratio of earnings to fixed charges was 2.98x.

The ratio of earnings to fixed charges is computed by dividing (i) income (loss) before income taxes, minority interest and equity in Homestore.com, plus fixed charges, less equity income (loss) in unconsolidated affiliates and minority interest by (ii) fixed charges. Fixed charges consist of interest expense on all indebtedness (including amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor (deemed to be one-third of operating lease rentals.)

SELECTED CONSOLIDATED FINANCIAL DATA

The selected historical consolidated statement of operations data for the three years ended December 31, 2000 and the balance sheet data as of December 31, 2000 and 1999 are derived from our audited consolidated financial statements and accompanying notes filed on Form 10-K/A with the SEC on July 3, 2001, which were restated to reflect our individual membership business as part of continuing operations. The selected historical consolidated statement of operations data for the years ended December 31, 1997 and 1996 and the balance sheet data as of December 31, 1998, 1997 and 1996 are derived from our unaudited consolidated financial data included in Form 10-K/A filed with the SEC on July 3, 2001. The selected historical consolidated financial data as of and for the six months ended June 30, 2001 are derived from our unaudited consolidated condensed financial statements filed on Form 10-Q with the SEC on August 14, 2001. The pro forma results of operations data for the year ended December 31, 2000 and the six months ended June 30, 2001 and the pro forma balance sheet data as of June 30, 2001 are derived from our unaudited pro forma financial data and accompanying notes filed on Form 8-K with the SEC on October 15, 2001, which gives effect to the completed acquisitions of Galileo International, Inc. and Avis Group Holdings, Inc. and does not reflect the issuance of the original notes.

SIX MONTHS ENDED JUNE 30, YEAR ENDED DECEMBER 31, ----- ----- -----	PRO FORMA	PRO FORMA	PRO FORMA	PRO FORMA	PRO FORMA	PRO FORMA
2001	2001	2000	2000	1999	1998	1997
1996	-----	-----	-----	-----	-----	-----
----- (IN						
MILLIONS) RESULTS OF OPERATIONS						
Net						
revenues.....	\$ 5,404	\$ 3,889	\$10,167	\$ 4,659		
	\$ 6,076	\$ 6,585	\$ 5,429	\$ 4,370		
Income (loss) from continuing operations.....	\$ 633	\$ 519	\$ 990	\$ 660	\$ (229)	
	\$ 160	\$ 66	\$ 314	=====	=====	
Income (loss) from discontinued operations, net of tax(a).....	--	--	174	380		
(26) 16 Extraordinary gain (loss), net of tax.....	--	(2)	--	26	--	Cumulative
effect of accounting change, net of tax.....	(38)	(56)				
	--	(283)	-----	-----	-----	-----
-----						
Net income						
(loss).....	\$ 481	\$ 602	\$ (55)	\$ 540	\$ (217)	\$ 330
	=====	=====	=====	=====	=====	=====
===== FINANCIAL						
POSITION Total						
assets.....	\$31,323	\$29,287	\$15,072	\$15,149		
	\$20,217	\$14,073	\$12,763	Long-		
term debt.....	4,387	4,365	1,948	2,445	3,363	
	1,246	780	Assets under			
management and mortgage programs.....	11,613				11,613	
	11,613	2,861	2,726	7,512	6,444	
5,279 Debt under management and						

mortgage

programs.....	9,993	9,993	2,040	2,314	6,897
5,603	5,090	Mandatorily			
redeemable preferred interest in a subsidiary.....	375	375			
375	--	--	--	--	Mandatorily
redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company.....	--	--			
1,683	1,478	1,472	--	--	
Stockholders'					
equity.....	7,243				
5,729	2,774	2,206	4,836	3,921	
	3,956				

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(a) Income (loss) from discontinued operations, net of tax includes the after tax results of discontinued operations and the gain on disposal of discontinued operations.

THE EXCHANGE OFFER

PURPOSE OF THE EXCHANGE OFFER

When we sold the original notes in August 2001, we entered into a registration rights agreement with the initial purchasers of those original notes. Under the registration rights agreement, we agreed to file a registration statement regarding the exchange of the original notes for notes which are registered under the Securities Act. We also agreed to use our reasonable best efforts to cause the registration statement to become effective with the SEC and to conduct this exchange offer after the registration statement is declared effective. The registration rights agreement provides that we will be required to pay additional cash interest to the holders of the original notes if:

- the registration statement is not filed by December 11, 2001;
- the registration statement is not declared effective by February 9, 2002;  
or
- the exchange offer has not been consummated by March 11, 2002.

A copy of the registration rights agreement is filed as an exhibit to the registration statement of which this prospectus is a part.

TERMS OF THE EXCHANGE OFFER

Upon the terms and conditions described in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept for exchange original notes that are properly tendered on or before the expiration date and not withdrawn as permitted below. As used in this prospectus, the term "expiration date" means 5:00 p.m., New York City time, on \_\_\_\_\_, 2001. However, if we, in our sole discretion, have extended the period of time for which the exchange offer is open, the term "expiration date" means the latest time and date to which we extend the exchange offer.

As of the date of this prospectus, \$850,000,000 aggregate principal amount of the original notes is outstanding. This prospectus, together with the letter of transmittal, is first being sent on or about \_\_\_\_\_, 2001 to all holders of original notes known to us. Our obligation to accept original notes for exchange in the exchange offer is subject to the conditions described below under "Conditions to the Exchange Offer."

We reserve the right to extend the period of time during which the exchange offer is open. We would then delay acceptance for exchange of any original notes by giving oral or written notice of an extension to the holders of original notes as described below. During any extension period, all original notes previously tendered will remain subject to the exchange offer and may be accepted for exchange by us. Any original notes not accepted for exchange will be returned to the tendering holder after the expiration or termination of the exchange offer.

Original notes tendered in the exchange offer must be in denominations of principal amount of \$1,000 and any integral multiple of \$1,000.

We reserve the right to amend or terminate the exchange offer, and not to

accept for exchange any original notes not previously accepted for exchange, upon the occurrence of any of the conditions of the exchange offer specified below under "Conditions to the Exchange Offer." We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the original notes as promptly as practicable. If we materially change the terms of the exchange offer, we will resolicit tenders of the original notes, file a post-effective amendment to the prospectus and provide notice to the noteholders. If the change is made less than five business days before the expiration of the exchange offer, we will extend the offer so that the noteholders have at least five

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business days to tender or withdraw. We will notify you of any extension by means of a press release or other public announcement no later than 9:00 a.m., New York City time on that date.

Our acceptance of the tender of original notes by a tendering holder will form a binding agreement upon the terms and subject to the conditions provided in this prospectus and in the accompanying letter of transmittal.

#### PROCEDURES FOR TENDERING

Except as described below, a tendering holder must, on or prior to the expiration date:

- transmit a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal, to The Bank of Nova Scotia Trust Company of New York at the address listed below under the heading "--Exchange Agent;" or
- if original notes are tendered in accordance with the book-entry procedures listed below, the tendering holder must transmit an agent's message to the exchange agent at the address listed below under the heading "--Exchange Agent."

In addition:

- the exchange agent must receive, on or before the expiration date, certificates for the original notes; or
- a timely confirmation of book-entry transfer of the original notes into the exchange agent's account at the Depository Trust Company, the book-entry transfer facility, along with the letter of transmittal or an agent's message; or
- the holder must comply with the guaranteed delivery procedures described below.

The Depository Trust Company will be referred to as DTC in this prospectus.

The term "agent's message" means a message, transmitted to DTC and received by the exchange agent and forming a part of a book-entry transfer, that states that DTC has received an express acknowledgment that the tendering holder agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this holder.

The method of delivery of original notes, letters of transmittal and all other required documents is at your election and risk. If the delivery is by mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send letters of transmittal or original notes to us.

If you are a beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and wish to tender, you should promptly instruct the registered holder to tender on your behalf. Any registered holder that is a participant in DTC's book-entry transfer facility system may make book-entry delivery of the original notes by causing DTC to transfer the original notes into the exchange agent's account.

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed unless the original notes surrendered for exchange are tendered:

- by a registered holder of the original notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal, or
- for the account of an "eligible institution."

If signatures on a letter of transmittal or a notice of withdrawal are

required to be guaranteed, the guarantees must be by an "eligible institution." An "eligible institution" is a financial institution, including most banks, savings and loan associations and brokerage houses, that is a participant in the

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Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program.

We will determine in our sole discretion all questions as to the validity, form and eligibility of original notes tendered for exchange. This discretion extends to the determination of all questions concerning the timing of receipts and acceptance of tenders. These determinations will be final and binding.

We reserve the right to reject any particular original note not properly tendered or any which acceptance might, in our judgment or our counsel's judgment, be unlawful. We also reserve the right to waive any defects or irregularities or conditions of the exchange offer as to any particular original note either before or after the expiration date, including the right to waive the ineligibility of any tendering holder. Our interpretation of the terms and conditions of the exchange offer as to any particular original note either before or after the expiration date, including the letter of transmittal and the instructions to the letter of transmittal, shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of original notes must be cured within a reasonable period of time. Neither we, the exchange agent nor any other person will be under any duty to give notification of any defect or irregularity in any tender of original notes. Nor will we, the exchange agent or any other person incur any liability for failing to give notification of any defect or irregularity.

If the letter of transmittal is signed by a person other than the registered holder of original notes, the letter of transmittal must be accompanied by a written instrument of transfer or exchange in satisfactory form duly executed by the registered holder with the signature guaranteed by an eligible institution. The original notes must be endorsed or accompanied by appropriate powers of attorney. In either case, the original notes must be signed exactly as the name of any registered holder appears on the original notes.

If the letter of transmittal or any original notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless waived by us, proper evidence satisfactory to us of their authority to so act must be submitted.

By tendering, each holder will represent to us that, among other things,

- the exchange notes are being acquired in the ordinary course of business of the person receiving the exchange notes, whether or not that person is the holder and
- neither the holder nor the other person has any arrangement or understanding with any person to participate in the distribution of the exchange notes.

In the case of a holder that is not a broker-dealer, that holder, by tendering, will also represent to us that the holder is not engaged in and does not intend to engage in a distribution of the exchange notes.

If any holder or other person is an "affiliate" of ours, as defined under Rule 405 of the Securities Act, or is engaged in, or intends to engage in, or has an arrangement or understanding with any person to participate in, a distribution of the exchange notes, that holder or other person can not rely on the applicable interpretations of the staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where the original notes were acquired by it as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus that meets the requirements of the Securities Act in connection with any resale of the exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. See "Plan of Distribution."

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ACCEPTANCE OF ORIGINAL NOTES FOR EXCHANGE; DELIVERY OF EXCHANGE NOTES

Upon satisfaction or waiver of all of the conditions to the exchange offer,



we will accept, promptly after the expiration date, all original notes properly tendered. We will issue the exchange notes promptly after acceptance of the original notes. See "--Conditions to the Exchange Offer" below. For purposes of the exchange offer, we will be deemed to have accepted properly tendered original notes for exchange when, as and if we have given oral or written notice to the exchange agent, with prompt written confirmation of any oral notice.

For each original note accepted for exchange, the holder of the original note will receive an exchange note having a principal amount equal to that of the surrendered original note. The exchange notes will bear interest from the most recent date to which interest has been paid on the original notes. Accordingly, registered holders of exchange notes on the relevant record date for the first interest payment date following the completion of the exchange offer will receive interest accruing from the most recent date to which interest has been paid. Original notes accepted for exchange will cease to accrue interest from and after the date of completion of the exchange offer. Holders of original notes whose original notes are accepted for exchange will not receive any payment for accrued interest on the original notes otherwise payable on any interest payment date the record date for which occurs on or after completion of the exchange offer and will be deemed to have waived their rights to receive the accrued interest on the original notes.

In all cases, issuance of exchange notes for original notes will be made only after timely receipt by the exchange agent of:

- certificates for the original notes, or a timely book-entry confirmation of the original notes, into the exchange agent's account at the book-entry transfer facility;
- a properly completed and duly executed letter of transmittal; and
- all other required documents.

Unaccepted or non-exchanged original notes will be returned without expense to the tendering holder of the original notes. In the case of original notes tendered by book-entry transfer in accordance with the book-entry procedures described below, the non-exchanged original notes will be credited to an account maintained with the book-entry transfer facility, as promptly as practicable after the expiration or termination of the exchange offer.

#### BOOK-ENTRY TRANSFER

The exchange agent will make a request to establish an account for the original notes at DTC for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in DTC's systems must make book-entry delivery of original notes by causing DTC to transfer those original notes into the exchange agent's account at DTC in accordance with DTC's procedure for transfer. This participant should transmit its acceptance to DTC on or prior to the expiration date or comply with the guaranteed delivery procedures described below. DTC will verify this acceptance, execute a book-entry transfer of the tendered original notes into the exchange agent's account at DTC and then send to the exchange agent confirmation of this book-entry transfer. The confirmation of this book-entry transfer will include an agent's message confirming that DTC has received an express acknowledgment from this participant that this participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this participant. Delivery of exchange notes issued in the exchange offer may be effected through

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book-entry transfer at DTC. However, the letter of transmittal or facsimile of it or an agent's message, with any required signature guarantees and any other required documents, must:

- be transmitted to and received by the exchange agent at the address listed below under "--Exchange Agent" on or prior to the expiration date; or
- comply with the guaranteed delivery procedures described below.

#### GUARANTEED DELIVERY PROCEDURES

If a registered holder of original notes desires to tender the original notes, and the original notes are not immediately available, or time will not permit the holder's original notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer described above cannot be completed on a timely basis, a tender may nonetheless be made if:

- the tender is made through an eligible institution;

- prior to the expiration date, the exchange agent received from an eligible institution a properly completed and duly executed letter of transmittal, or a facsimile of the letter of transmittal, and notice of guaranteed delivery, substantially in the form provided by us, by facsimile transmission, mail or hand delivery,
  - (1) stating the name and address of the holder of original notes and the amount of original notes tendered,
  - (2) stating that the tender is being made; and
  - (3) guaranteeing that within three New York Stock Exchange trading days after the expiration date, the certificates for all physically tendered original notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and
- the certificates for all physically tendered original notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and all other documents required by the letter of transmittal, are received by the exchange agent within three New York Stock Exchange trading days after the expiration date.

#### WITHDRAWAL RIGHTS

Tenders of original notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, the exchange agent must receive a written notice of withdrawal at the address or, in the case of eligible institutions, at the facsimile number, indicated below under "--Exchange Agent" before 5:00 p.m., New York City time, on the expiration date. Any notice of withdrawal must:

- specify the name of the person, referred to as the depositor, having tendered the original notes to be withdrawn;
- identify the original notes to be withdrawn, including the certificate number or numbers and principal amount of the original notes;
- contain a statement that the holder is withdrawing his election to have the original notes exchanged;

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- be signed by the holder in the same manner as the original signature on the letter of transmittal by which the original notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the original notes register the transfer of the original notes in the name of the person withdrawing the tender; and
- specify the name in which the original notes are registered, if different from that of the depositor.

If certificates for original notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of these certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and signed notice of withdrawal with signatures guaranteed by an eligible institution unless this holder is an eligible institution. If original notes have been tendered in accordance with the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn original notes. We will determine all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal. Any original notes so withdrawn will be deemed not to have been validly tendered for exchange. No exchange notes will be issued unless the original notes so withdrawn are validly re-tendered. Any original notes that have been tendered for exchange, but which are not exchanged for any reason, will be returned to the tendering holder without cost to the holder. In the case of original notes tendered by book-entry transfer, the original notes will be credited to an account maintained with the book-entry transfer facility for the original notes. Properly withdrawn original notes may be re-tendered by following the procedures described under "--Procedures for Tendering" above at any time on or before 5:00 p.m., New York City time, on the expiration date.

#### CONDITIONS TO THE EXCHANGE OFFER

Notwithstanding any other provision of the exchange offer, we will not be required to accept for exchange, or to issue exchange notes in exchange for, any

original notes, and may terminate or amend the exchange offer, if at any time before the acceptance of the original notes for exchange or the exchange of the exchange notes for the original notes, any of the following events occurs:

- there is threatened, instituted or pending any action or proceeding before, or any injunction, order or decree issued by, any court or governmental agency or other governmental regulatory or administrative agency or commission:
  - (1) seeking to restrain or prohibit the making or completion of the exchange offer or any other transaction contemplated by the exchange offer, or assessing or seeking any damages as a result of this transaction,
  - (2) resulting in a material delay in our ability to accept for exchange or exchange some or all of the original notes in the exchange offer; or
  - (3) any statute, rule, regulation, order or injunction has been sought, proposed, introduced, enacted, promulgated or deemed applicable to the exchange offer or any of the transactions contemplated by the exchange offer by any governmental authority, domestic or foreign; or
- any action has been taken, proposed or threatened, by any governmental authority, domestic or foreign, that in our sole judgment might directly or indirectly result in any of the consequences referred to in clauses (1), (2) or (3) above or, in our sole judgment, might result in the holders of exchange notes having obligations with respect to resales and transfers of exchange notes which are greater than those described in the interpretation of the SEC referred to above, or would otherwise make it inadvisable to proceed with the exchange offer; or

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- the following has occurred:
  - (1) any general suspension of or general limitation on prices for, or trading in, securities on any national securities exchange or in the over-the-counter market; or
  - (2) any limitation by a governmental authority, which may adversely affect our ability to complete the transactions contemplated by the exchange offer; or
  - (3) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation by any governmental agency or authority which adversely affects the extension of credit; or
  - (4) a commencement of a war, armed hostilities or other similar international calamity directly or indirectly involving the United States, or, in the case of any of the preceding events existing at the time of the commencement of the exchange offer, a material acceleration or worsening of these calamities; or
- any change, or any development involving a prospective change, has occurred or been threatened in our business, financial condition, operations or prospects and those of our subsidiaries taken as a whole that is or may be adverse to us, or we have become aware of facts that have or may have an adverse impact on the value of the original notes or the exchange notes; which in our sole judgment in any case makes it inadvisable to proceed with the exchange offer and/or with such acceptance for exchange or with such exchange.

These conditions to the exchange offer are for our sole benefit and we may assert them regardless of the circumstances giving rise to any of these conditions, or we may waive them in whole or in part in our sole discretion. If we do so, the exchange offer will remain open for at least 5 business days following any waiver of the preceding conditions. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any right.

In addition, we will not accept for exchange any original notes tendered, and no exchange notes will be issued in exchange for any original notes, if at this time any stop order is threatened or in effect relating to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939.

EXCHANGE AGENT

We have appointed The Bank of Nova Scotia Trust Company of New York as the exchange agent for the exchange offer. You should direct all executed letters of

transmittal to the exchange agent at the address indicated below. You should direct questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery to the exchange agent addressed as follows:

DELIVERY TO: The Bank of Nova Scotia Trust Company of New York, EXCHANGE AGENT

BY HAND BEFORE 4:30 P.M.:

The Bank of Nova Scotia Trust Company of New York  
67 Wall Street, 4th Floor  
New York, NY 10005  
Attention: Exchanges

BY REGISTERED OR CERTIFIED MAIL:

The Bank of Nova Scotia Trust Company of New York  
One Liberty Plaza, 23rd Floor  
New York, NY 10006  
Attention: Exchanges

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BY HAND OR OVERNIGHT DELIVERY AFTER  
4:30 P.M. ON THE EXPIRATION DATE:  
The Bank of Nova Scotia Trust Company of New York  
67 Wall Street, 4th Floor  
New York, NY 10005  
Attention: Exchanges  
FOR INFORMATION CALL:  
(212) 225-5427

BY FACSIMILE TRANSMISSION  
(FOR ELIGIBLE INSTITUTIONS ONLY):  
(212) 635-4165  
Attention: Exchanges  
CONFIRM BY TELEPHONE:  
(212) 225-5427

All other questions should be addressed to Cendant Corporation, 9 West 57th Street, New York, NY 10019, Attention: Eric J. Bock. If you deliver the letter of transmittal to an address other than any address indicated above or transmit instructions via facsimile other than any facsimile number indicated, then your delivery or transmission will not constitute a valid delivery of the letter of transmittal.

#### FEES AND EXPENSES

We will not make any payment to brokers, dealers, or others soliciting acceptances of the exchange offer. The estimated cash expenses to be incurred in connection with the exchange offer will be paid by us. We estimate these expenses in the aggregate to be approximately \$500,000.

#### ACCOUNTING TREATMENT

We will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offer. We will amortize the expense of the exchange offer over the term of the exchange notes under generally accepted accounting principles.

#### TRANSFER TAXES

Holders who tender their original notes for exchange will not be obligated to pay any related transfer taxes, except that holders who instruct us to register exchange notes in the name of, or request that original notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer taxes.

#### CONSEQUENCES OF EXCHANGING OR FAILING TO EXCHANGE ORIGINAL NOTES

Holders of original notes who do not exchange their original notes for exchange notes in the exchange offer will continue to be subject to the provisions in the indenture regarding transfer and exchange of the original notes and the restrictions on transfer of the original notes as described in the legend on the original notes as a consequence of the issuance of the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the original notes may not be offered or sold, unless registered under the Securities Act, except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

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Under existing interpretations of the Securities Act by the SEC's staff

contained in several no-action letters to third parties, and subject to the immediately following sentence, we believe that the exchange notes would generally be freely transferable by holders after the exchange offer without further registration under the Securities Act, subject to certain representations required to be made by each holder of exchange notes, as set forth below. However, any purchaser of exchange notes who is one of our "affiliates" (as defined in Rule 405 under the Securities Act) or who intends to participate in the exchange offer for the purpose of distributing the exchange notes:

- will not be able to rely on the interpretation of the SEC's staff;
- will not be able to tender its original notes in the exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the notes unless such sale or transfer is made pursuant to an exemption from such requirements. See "Plan of Distribution."

We do not intend to seek our own interpretation regarding the exchange offer and there can be no assurance that the SEC's staff would make a similar determination with respect to the exchange notes as it has in other interpretations to other parties, although we have no reason to believe otherwise.

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#### DESCRIPTION OF THE NOTES

The terms of the exchange notes to be issued in the exchange offer are identical in all material respects to the terms of the original notes, except for the transfer restrictions relating to the original notes. Any original notes that remain outstanding after the exchange offer, together with exchange notes issued in the exchange offer, will be treated as a single class of securities under the indenture for voting purposes.

The notes are governed by an indenture, dated as of February 24, 1998, between us and The Bank of Nova Scotia Trust Company of New York, as trustee. The following discussion summarizes the material provisions of the indenture. Because this is only a summary, it is not complete and does not describe every aspect of the notes and the indenture. A copy of the form of the indenture is available from us upon request. You should read the indenture for provisions that may be important to you, but which are not included in this summary.

#### GENERAL

The original notes were originally issued in the aggregate principal amount of \$850,000,000. The notes will mature on August 15, 2006. The notes bear interest from August 13, 2001 at the annual rate of 6 7/8%. Interest is payable semiannually on February 15 and August 15 of each year, commencing February 15, 2002, to the persons in whose names the notes are registered at the close of business on the preceding February 1 or August 1, whether or not such day is a business day. All payments of interest and principal will be payable in United States dollars. We may from time to time, without notice to or consent of the holders, issue additional notes of the same tenor, coupon and other terms as the notes, so that such notes and the notes offered hereby will form a single series.

#### INTEREST RATE ADJUSTMENT

The interest rate on the notes will be subject to adjustment if, on any date (the "Step-up Date") prior to maturity of the notes, the rating on the notes is decreased to below Investment Grade (as defined below) by both of the Rating Agencies (as defined below). Upon a decrease in the rating below Investment Grade, the interest rate on the notes will be automatically increased, effective from and including the Step-up Date, to an annual rate (the "Step-up Rate") equal to the sum of the original interest rate of 6 7/8% plus 150 basis points; provided that if, on any date (a "Step-down Date") prior to maturity when the interest rate on the notes is the Step-up Rate, the rating on the notes shall be increased so that the notes are rated Investment Grade by both Rating Agencies, then the interest rate on the notes will be automatically decreased, effective from and including the Step-down Date, to the original interest rate of 6 7/8%. The interest rate on the notes may from time to time be increased to the Step-up Rate and, if so increased, thereafter decreased to the original interest rate. A change in the rating on the notes by any Rating Agency will be deemed to have occurred on the date that such Rating Agency publicly announced the change.

When any change in the interest rate on the notes occurs during any interest payment period, the amount of interest to be paid with respect to such period will be calculated at an annual rate equal to the weighted average of the interest rate in effect immediately prior to such change and the Step-up Rate or

original interest rate, as applicable, in effect during such interest payment period, calculated by multiplying each such rate by the number of days such rate is in effect during each month of such interest payment period, determining the sum of such products and dividing such sum by the number of days in such interest payment period. All calculations pursuant to the preceding sentence and of interest on the notes will be computed on the basis of a year of twelve 30-day months. We will covenant that, as promptly as practicable after any increase or decrease in the interest rate on the notes as described above, we will (a) send written notice to the Trustee and the holders of the notes in the manner provided in the indenture and (b) issue a press release, each of which will state (i) that a

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change in the interest rate on the notes has occurred and the reasons for such change in the interest rate, (ii) the annual interest rate before giving effect to such change, (iii) the annual interest rate after giving effect to such change, (iv) the days during which each interest rate has been (and, assuming no further change in interest rate prior to the next applicable record date, will be) in effect during the relevant interest payment period and the amount of the interest payment due on the next interest payment date (assuming no further change in interest rate prior to the next applicable record date) and (v) the effective date of such change.

If, at any time prior to the maturity of the notes, the notes are rated A3 (or the equivalent) or higher by Moody's Investors Service, Inc. and its successors and A- (or the equivalent) or higher by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors ("S&P"), or the equivalent of such ratings used by any other Rating Agency selected as provided in the definition of "Rating Agencies" below, then the interest rate on the notes will no longer be subject to adjustment as provided above, notwithstanding any subsequent decrease in the rating of the notes to below Investment Grade by either of the Rating Agencies.

For purposes of this "Interest Rate Adjustment" provision, the following definitions apply:

"Investment Grade" means Baa3 (or the equivalent) or higher by Moody's or BBB- (or the equivalent) or higher by S&P or the equivalent of such ratings used by any other Rating Agency selected as provided in the definition of the term "Rating Agencies."

"Rating Agencies" means (i) Moody's and S&P or (ii) if Moody's or S&P or both are no longer publicly rating the notes, a nationally recognized securities rating agency or agencies, as the case may be, selected by us by notice to the Trustee, which will be substituted for Moody's or S&P or both, as the case may be; and "Rating Agency" shall mean either of the Rating Agencies. We will covenant that we will use our best efforts to cause two Rating Agencies to make publicly available a rating on the notes at all times prior to maturity of the notes.

#### RANKING

The notes are senior unsecured obligations and rank equally in right of payment to all other unsecured senior indebtedness.

We currently conduct substantially all our operations through our subsidiaries, and our subsidiaries generate substantially all of our operating income and cash flow. As a result, distributions or advances from our subsidiaries are the principal source of funds necessary to meet our debt service obligations. Contractual provisions or laws, as well as our subsidiaries' financial condition and operating requirements, may limit our ability to obtain cash from our subsidiaries that we require to pay our debt service obligations, including payments on the notes. In addition, holders of the notes will have a subordinate position to the claims of creditors of our subsidiaries on their assets and earnings. At June 30, 2001, our subsidiaries had \$10.6 billion of indebtedness and \$375 million of mandatorily redeemable preferred securities outstanding, without giving effect to the anticipated use of proceeds, in addition to other liabilities, to which the notes would have been structurally subordinated.

As of June 30, 2001, after giving pro forma effect to the offering of the original notes and the issuance of our Upper DECS in July and August 2001 and the application of the net proceeds therefrom, we would have had approximately \$6.0 billion of indebtedness outstanding (exclusive of subsidiary indebtedness, including debt under management and mortgage programs), which would have ranked equally with the notes.

#### SINKING FUND

The notes are not subject to a sinking fund.

## MERGER, CONSOLIDATION, OR SALE OR CONVEYANCE OF ASSETS

We may not consolidate or merge with or into any other Person or sell, assign, convey or transfer or otherwise dispose of all or substantially all of our properties and assets to any Person, unless:

- (1) the successor Person shall be a Person (if not Cendant) organized and existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume, by a supplemental indenture satisfactory to the trustee, the due and punctual payment of the principal of and interest on the notes and the performance of every covenant in the indenture on our part;
- (2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- (3) we shall have delivered to the trustee an officer's certificate and an opinion of counsel, each stating that the consolidation, merger, conveyance or transfer and the supplemental indenture comply with clauses (1) and (2) above.

In the case of any consolidation, merger, conveyance or transfer, the successor Person will succeed to and be substituted for Cendant as obligor on the notes, with the same effect as if it had been named in the indenture as Cendant.

## EVENTS OF DEFAULT AND REMEDIES

Each of the following is an event of default with respect to the notes:

- (1) default for 30 days in the payment of interest due and payable on the notes;
- (2) default in the payment of the principal of the notes when due;
- (3) default in our performance of any covenant or warranty in the indenture for a period of 90 days after written notice is provided to us by the trustee or the holders of at least 25% in aggregate principal amount of the then outstanding notes;
- (4) default by us under any instrument or instruments under which there is or may be secured or evidenced any of our indebtedness (other than the notes) having an outstanding principal amount of \$50,000,000 (or its equivalent in any other currency or currencies) or more, individually or in the aggregate, that has caused the holders thereof to declare such indebtedness to be due and payable prior to its stated maturity, unless such declaration has been rescinded within 30 days;
- (5) default in the payment of the principal or premium, if any, of any bond, debenture, note or other evidence of our indebtedness, in each case for money borrowed, or in the payment of principal or premium, if any, under any mortgage, indenture, agreement or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of ours for money borrowed, which default for payment of principal or premium, if any, is in an aggregate principal amount exceeding \$50,000,000 (or its equivalent in any other currency or currencies) when such indebtedness becomes due and payable (whether at maturity, upon redemption or acceleration or otherwise), if such default shall continue unremedied or unwaived for more than 30 business days after the expiration of any grace period or extension of the time for payment applicable thereto; and
- (6) certain events of bankruptcy, insolvency and reorganization with respect to us.

If an event of default occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes may declare the principal of, and accrued but unpaid interest on, all the notes to be due and payable immediately; however, in the case of events of default specified in clauses (4) and (5) upon certain conditions such declarations may be annulled and

past defaults may be waived (except for defaults in the payment of principal of, or any interest on, the notes) by the holders of a majority of the aggregate principal amount of notes then outstanding.

If an event of default relating to some events of bankruptcy, insolvency or reorganization occurs, the issue price plus accrued interest on the notes will become immediately due and payable without any action on the part of the trustee or any holder.

Subject to certain limitations, the holders of a majority in principal amount of the outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee. The trustee, however, may, upon the advice of counsel refuse to follow any direction that conflicts with the law or the indenture or that the trustee determines is unduly prejudicial to the holders or that would involve the trustee in personal liability.

The indenture provides that if an uncured default is known to the trustee, the trustee must give to each holder notice of the default within 90 days after it occurs, except that with respect to an Event of Default described in clause (3) above, no such notice shall be given until at least 90 days after the occurrence of such default. However, except in the case of default in the payment of principal of, or interest on, any note, the trustee may withhold notice if it in good faith determines that withholding notice is in the interest of the holders. In addition, we are required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate indicating that to the best of the knowledge of the signatory we are not in default in the performance and observance of the terms of the indenture or, if we are in default, specifying such default.

#### MODIFICATIONS

The indenture or the rights of the holders may be modified by us and the trustee with the consent of at least a majority of the aggregate principal amount of the outstanding notes (it being understood that the holders of the notes will vote together as one class). However, no such modification shall, without the consent of each holder affected hereby:

- change the stated maturity of the principal of, or any installment of interest on, any notes;
- reduce the principal amount of, or interest on, any notes;
- change the method or date of computing the amount of principal of or interest on the notes;
- change the place or currency of payment of principal of or interest on the notes;
- impair the right to institute suit for the enforcement of any payment on or after the stated maturity date;
- reduce the percentage in principal amount of the outstanding notes, the consent of whose holders is necessary for waiver of compliance with certain provisions of the indenture or for the waiver of certain defaults; or
- modify any of the provisions of certain sections of the indenture including the provisions summarized by this paragraph.

#### DEFEASANCE

The indenture provides that we will be discharged from all obligations in respect of the notes (except for, among other things, certain obligations to register the transfer or exchange of the notes, replace stolen, lost or mutilated notes, maintain paying agencies and old moneys or payment in trust) if we have irrevocably deposited with the trustee, in trust for the benefit of the holders of the notes, cash in U.S. dollars, non-callable Governmental Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay

the principal of and interest and additional interest, if any, on the outstanding notes on the stated maturity date selected by us.

The defeasance and discharge will become effective after we, among other things, have delivered to the trustee an opinion of counsel confirming that the deposit and related defeasance will not cause the holders of the notes to recognize gain or loss for federal income tax purposes, or a copy of a ruling or other formal statement or action to such effect received from or published by the Internal Revenue Service.



The descriptions of the operations and procedures of DTC, Euroclear and Clearstream set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Neither we nor the initial purchasers take any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

DTC has advised us that it is (i) a limited purpose trust company organized under the laws of the State of New York, (ii) a "banking organization" within the meaning of the New York Banking Law, (iii) a member of the Federal Reserve System, (iv) a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended, and (v) a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's participants include securities brokers and dealers (including the initial purchasers), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the "Indirect Participants") that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or Indirect Participants.

Pursuant to procedures established by DTC (i) upon deposit of each global note, DTC will credit the accounts of participants designated by the initial purchasers with an interest in the global note and (ii) ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the interests of participants) and the records of participants and the Indirect Participants (with respect to the interests of persons other than participants).

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to such persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by such global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes, and will not be

considered the owners or holders thereof under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee thereunder. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if such holder is not a participant or an Indirect Participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights of a holder of notes under the indenture or such global note. We understand that under existing industry practice, in the event that we request any action of holders of notes, or a holder that is an owner of a beneficial interest in a global note desires to take any action that DTC, as the holder of such global note, is entitled to take, DTC would authorize the participants to take such action and the participants would authorize holders owning through such participants to take such action or would otherwise act upon the instruction of such holders. Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such notes.

Payments with respect to the principal of, and additional interest, if any, and interest on, any notes represented by a global note registered in the name of DTC or its nominee on the applicable record date will be payable by the trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the global note representing such notes under the

indenture. Under the terms of the Indenture, we and the trustee may treat the persons in whose names the notes, including the global notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither we nor the trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a global note (including principal, additional interest, if any, and interest). Payments by the participants and the Indirect Participants to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of the participants or the Indirect Participants and DTC.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, WILL be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interest in a global security by or through a Euroclear or Clear stream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

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Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

#### CERTIFICATED NOTES

If (i) DTC notifies us that it is no longer willing or able to act as a depository or DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days of such notice or cessation, (ii) we, at our option, notify the trustee in writing that we elect to cause the issuance of notes in definitive form under the indenture or (iii) upon the occurrence of certain other events as provided in the indenture, then, upon surrender by DTC of the global notes, certificated notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by the global notes. Upon any such issuance, the trustee is required to register such certificated notes in the name of such person or persons (or the nominee of any thereof) and cause the same to be delivered thereto.

Neither we nor the trustee shall be liable for any delay by DTC or any participant or Indirect Participant in identifying the beneficial owners of the related notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued).

#### TRUSTEE

The Bank of Nova Scotia Trust Company of New York is the trustee, registrar,

conversion agent and paying agent.

If an Event of Default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent person in the conduct of its own affairs. The Trustee will become obligated to exercise any of its powers under the Indenture at the request of any of the holders of any notes only after those holders have offered the Trustee indemnity reasonably satisfactory to it.

If the trustee becomes one of our creditors, it will be subject to limitations in the Indenture on its rights to obtain payment of claims or to realize on some property received for any such claim, as security or otherwise. The Trustee is permitted to engage in other transactions with us. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign.

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#### MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion sets forth the anticipated material United States federal income tax consequences of the exchange of original notes for exchange notes to a holder of original notes.

This discussion is based on United States federal income tax laws, regulations, rulings and decisions now in effect, all of which are subject to change or differing interpretations, possibly on a retroactive basis. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences described herein or that such a challenge will not be accepted by a court.

This discussion deals only with holders of original notes that hold the original notes as capital assets and that exchange original notes for exchange notes pursuant to the exchange offer. This discussion does not address tax consequences arising under the laws of any foreign, state or local jurisdiction. Prospective investors are urged to consult their tax advisors regarding the United States federal income and other tax consequences of acquiring, holding and disposing of the exchange notes, as well as any tax consequences that may arise under the laws of any foreign, state or local taxing jurisdiction.

#### THE EXCHANGE OFFER

An exchange of original notes for the exchange notes pursuant to the exchange offer will be disregarded for United States federal income tax purposes. Consequently, a holder of original notes will not recognize gain or loss as a result of exchanging original notes for exchange notes pursuant to the exchange offer. A holder's holding period in the exchange notes will be the same as the holder's holding period in the original notes, and a holder's tax basis in the exchange notes will be the same as the holder's tax basis in the original notes immediately prior to the exchange.

#### PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where the original notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any resale.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account in the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of these methods of resale. These resales may be made at market prices prevailing at the time of resale, at prices related to these prevailing market prices or negotiated prices. Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer or the purchasers of any of the exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account in the exchange offer and any broker or dealer that participates in a distribution of the exchange notes may be deemed to be an underwriter within the meaning of the Securities Act, and any profit on the resale of exchange notes and any commission or concessions received by those persons may be deemed to be underwriting compensation under the Securities Act. Any broker-dealer that resells notes that were received by it for its own account in exchange offer and any broker-dealer that participates in a distribution of those notes may be deemed to be an underwriter within the meaning of the Securities Act and must

registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, including the delivery of a prospectus that contains information with respect to any selling holder required by the Securities Act in connection with any resale of the exchange notes. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

Furthermore, any broker-dealer that acquired any of its original notes directly from us:

- may not rely on the applicable interpretation of the staff of the SEC's position contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan, Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983); and
- must also be named as a selling noteholder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction.

For a period of 180 days after the expiration date of the exchange offer, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests these documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer, including the expenses of one counsel for the holders of the notes, other than commissions or concessions of any brokers or dealers. We will indemnify the holders of the notes, including any broker-dealers, against various liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters with respect to the exchange notes being offered hereby will be passed upon for us by Eric J. Bock, Esq., Senior Vice President, Law and Secretary of Cendant. Mr. Bock holds shares of CD common stock and options to acquire shares of CD common stock.

EXPERTS

Our financial statements incorporated in this prospectus by reference from our Annual Report on Form 10-K/A for the year ended December 31, 2000 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which expresses an unqualified opinion and includes explanatory paragraphs relating to the change in certain revenue recognition policies regarding the recognition of non-refundable one-time fees and pro rata refundable subscription revenue and the restatement of the financial statements to reflect the individual membership business as part of continuing operations as discussed in Note 1), which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

Cendant is subject to the informational requirements of the Exchange Act, and in accordance therewith files reports, proxy and information statements and other information with the SEC. Such reports, proxy statements and other information can be inspected and copied at prescribed rates at the public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Office of the SEC located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661. The SEC also maintains a website that contains reports, proxy and information statements and other information. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The website address is <http://www.sec.gov>. In addition, such material can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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\$850,000,000

CENDANT CORPORATION

Offer for All Outstanding 6 7/8% Notes due 2006

[LOGO]

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PROSPECTUS  
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PART II  
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the General Corporation Law of the State of Delaware allows a corporation to eliminate the personal liability of directors to a corporation or its stockholders for monetary damages for a breach of a fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase or redemption in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the Delaware General Corporation Law empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A Delaware corporation may indemnify directors, officers, employees and other agents of such corporation in an action by or in the right of a corporation under the same conditions against expenses (including attorney's fees) actually and reasonably incurred by the person in connection with the defense and settlement of such action or suit, except that no indemnification is permitted without judicial approval if the person to be indemnified has been adjudged to be liable to the corporation. Where a present or former director or officer of the corporation is successful on the merits or otherwise in the defense of any action, suit or proceeding referred to above or in defense of any claim, issue or matter therein, the corporation must indemnify such person against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith.

Section 174 of the General Corporation Law of the State of Delaware provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered into the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

The Registrant's By-Laws contain provisions that provide for indemnification of officers and directors and their heirs and distributees to the full extent permitted by, and in the manner permissible under, the General Corporation Law of the State of Delaware.

As permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, the Registrant's Amended and Restated Certificate of Incorporation contains a provision eliminating the personal liability of a director to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, subject to some exceptions.

Cendant Corporation maintains, at its expense, a policy of insurance which insures its directors and officers, subject to exclusions and deductions as are

usual in these kinds of insurance policies, against specified liabilities which may be incurred in those capacities.

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ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

EXHIBIT NO.  
DESCRIPTION -  
-----  
----- 3.1  
Amended and  
Restated  
Certificate  
of  
Incorporation  
of Cendant  
Corporation  
(incorporated  
by reference  
to Exhibit  
3.1 to  
Cendant  
Corporation's  
Quarterly  
Report on  
Form 10-Q/A  
filed by  
Cendant  
Corporation  
on July 28,  
2000 for the  
quarterly  
period ended  
March 31,  
2000). 3.2  
Amended and  
Restated By-  
laws of  
Cendant  
Corporation  
(incorporated  
by reference  
to Exhibit  
3.2 to  
Cendant  
Corporation's  
Quarterly  
Report on  
Form 10-Q/A  
filed by  
Cendant  
Corporation  
on July 28,  
2000 for the  
quarterly  
period ended  
March 31,  
2000). 4.1  
Indenture,  
dated as of  
February 24,  
1998, between  
Cendant  
Corporation  
and The Bank  
of Nova  
Scotia Trust  
Company of  
New York, as  
trustee  
(incorporated  
by reference  
to Exhibit  
4.2 to the  
Registration  
Statement on  
Form S-3 of  
Cendant  
Corporation  
(Registration

No. 333-45227)). 4.2  
Form of 6  
7/8% Note due  
2006. 4.3  
Registration  
Rights  
Agreement,  
dated August  
13, 2001,  
between  
Cendant  
Corporation  
and J.P.  
Morgan  
Securities  
Inc., Banc of  
America  
Securities  
LLC, Barclays  
Capital Inc.,  
Credit  
Lyonnais  
Securities  
(USA) Inc.,  
The Royal  
Bank of  
Scotland plc,  
Scotia  
Capital (USA)  
Inc., The  
Williams  
Capital  
Group, L.P.  
and Tokyo--  
Mitsubishi  
International  
plc. 5.1  
Opinion of  
Eric J. Bock,  
Esq. 12.1  
Statement re:  
Computation  
of Ratio of  
Earnings to  
Fixed Charges  
(incorporated  
by reference  
to Exhibit 12  
to the  
Registrant's  
Annual Report  
on Form 10-  
K/A dated  
July 2, 2001,  
filed by  
Cendant  
Corporation  
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2001). 12.2  
Statement re:  
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Earnings to  
Fixed Charges  
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by reference  
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filed by  
Cendant  
Corporation  
on August 14,  
2001). 23.1  
Consent of  
Deloitte &  
Touche LLP

relating to  
the audited  
financial  
statements of  
Cendant  
Corporation.  
23.2 Consent  
of Deloitte &  
Touche LLP  
relating to  
the audited  
financial  
statements of  
Avis Group  
Holdings,  
Inc. 23.3  
Consent of  
KPMG LLP  
relating to  
the audited  
financial  
statements of  
Galileo  
International,  
Inc. 23.4  
Consent of  
Eric J. Bock,  
Esq.  
(included in  
Exhibit 5.1).  
24.1 Power of  
Attorney  
(included on  
the signature  
page of this  
Registration  
Statement).  
25.1  
Statement of  
Eligibility  
on Form T-1  
under the  
Trust  
Indenture Act  
of 1939, as  
amended, of  
The Bank of  
Nova Scotia  
Trust Company  
of New York.  
99.1 Form of  
Letter of  
Transmittal.  
99.2 Form of  
Notice of  
Guaranteed  
Delivery.  
99.3 Form of  
Letter to  
Clients. 99.4  
Form of  
Letter to  
Brokers,  
Dealers,  
Commercial  
Banks, Trust  
Companies and  
Other  
Nominees.

ITEM 22. UNDERTAKINGS

The undersigned Registrant hereby undertakes: (1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement (i) to include any prospectus required by section 10(a)(3) of Securities Act of 1933, as amended; (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof)



which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement, provided, however, that paragraphs (1) (i) and (1) (ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement; (2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new Registrant Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes to deliver or cause to be delivered with the prospectus to each employee to whom the prospectus is sent or given a copy of the Registrant's annual report to shareholders for its last fiscal year, unless such employee otherwise has received a copy of such report, in which case the Registrant shall state in the prospectus that it will promptly furnish, without charge, a copy of such report on written request of the employee. If the last fiscal year of the Registrant has ended within 120 days prior to the use of the prospectus, the annual report of the Registrant for the preceding fiscal year may be so delivered, but within such 120 day period the annual report for the last fiscal year will be furnished to each such employee.

The undersigned Registrant hereby undertakes to transmit or cause to be transmitted to all employees participating in the plan who do not otherwise receive such material as shareholders of the Registrant, at the time and in the manner such material is sent to its shareholders, copies all of reports, proxy statements and other communications distributed to its shareholders generally.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Cendant Corporation has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 2nd day November, 2001.

CENDANT CORPORATION

By: /s/ JAMES E. BUCKMAN

-----  
Name: James E. Buckman  
Title: Vice Chairman and General Counsel

Each person whose signature appears below hereby constitutes and appoints each of Eric J. Bock and James E. Buckman, or either of them, each acting alone, his true and lawful attorney-in fact and agent, with full power of substitution,

for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) under the Securities Act and to sign any instrument, contract, document or other writing of or in connection with the Registration Statement and any amendments and supplements thereto (including post-effective amendments) and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on November 2, 2001.

SIGNATURE

TITLE -----

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/s/ HENRY

R.

SILVERMAN -

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Financial

Officer

(Principal

Financial

Kevin M.

Sheehan

Officer)  
/s/ TOBIA  
IPPOLITO  
Executive  
Vice  
President,  
Finance and  
-----  
-----  
-----  
Chief Tobia  
Ippolito  
Accounting  
Officer

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SIGNATURE  
TITLE ----  
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-----  
Director  
Myra J.  
Biblowit -  
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-----  
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--  
Director  
The  
Honorable  
William S.  
Cohen ----  
-----  
-----  
-----

Director  
Leonard S.  
Coleman  
/s/ MARTIN  
L. EDELMAN  
-----  
-----  
-----

---  
Director  
Martin L.  
Edelman  
/s/ DR.  
JOHN C.  
MALONE ---  
-----  
-----  
-----

Director  
Dr. John  
C. Malone  
/s/ CHERYL  
D. MILLS -  
-----  
-----  
-----

--  
Director  
Cheryl D.  
Mills /s/  
BRIAN  
MULRONEY -  
-----

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-----  
-----  
--  
Director  
The Rt.  
Hon. Brian  
Mulroney,  
P.C.,  
LL.D. /s/  
ROBERT E.  
NEDERLANDER  
-----  
-----  
-----

---  
Director  
Robert E.  
Nederlander  
/s/ ROBERT  
W. PITTMAN  
-----  
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Director  
Robert W.  
Pittman --  
-----  
-----  
-----

- Director  
Sheli Z.  
Rosenberg  
/s/ ROBERT  
F. SMITH -  
-----  
-----  
-----

--  
Director  
Robert F.  
Smith

INDEX TO EXHIBITS

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Restated  
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Corporation  
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quarterly  
period ended  
March 31,

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Mitsubishi  
International  
plc. 5.1  
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of Deloitte &  
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Esq.  
(included in  
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Attorney  
(included on  
the signature  
page of this

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Statement).

25.1

Statement of  
Eligibility  
on Form T-1  
under the  
Trust

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of 1939, as  
amended, of  
The Bank of  
Nova Scotia  
Trust

Company. 99.1  
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Transmittal.

99.2 Form of  
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Guaranteed  
Delivery.

99.3 Form of  
Letter to  
Clients. 99.4

Form of  
Letter to  
Brokers,  
Dealers,  
Commercial  
Banks, Trust  
Companies and  
Other  
Nominees.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY (AS DEFINED BELOW) THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (1) THROUGH (4) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THIS NOTE IS IN GLOBAL FORM WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE 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 THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER,

PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CUSIP No. 151313AK9  
 ISIN: US151313AK90  
 Common Codes: 013429456  
 U.S.\$[                    ]

Certificate No.

CENDANT CORPORATION  
 6 7/8% NOTES DUE 2006

CENDANT CORPORATION, a Delaware corporation (the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or its registered assigns, the principal sum of [ (\$ )] on August 15, 2006 (such date is hereinafter referred to as the "Maturity Date"), and to pay interest on said principal sum from August 13, 2001 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, semiannually on February 15 and August 15 of each year, commencing on February 15, 2002 at the annual rate of 6 7/8% (the "Original Interest Rate") until the principal hereof is paid or duly made available for payment, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the rate of 6 7/8% until such principal, premium or installment of interest, as the case may be, is paid or duly made available for payment, compounded semiannually; PROVIDED that if, on any date (a "Step-up Date") beginning on August 13, 2001 (the "Original Issue Date") and prior to maturity of the Notes, the rating on the Notes is decreased to below Investment Grade (as defined below) by both of the Rating Agencies (as defined below), then the interest rate on this Note will be automatically increased, effective from and including the Step-up Date, to an annual rate (the "Step-up Rate") equal to the sum of Original Interest Rate plus 150 basis points; and PROVIDED FURTHER, that if, on any date (a "Step-down Date") prior to maturity when the interest rate on this Note is the Step-up Rate, the rating on the Notes shall be increased so that the Notes are rated as Investment Grade by both Rating Agencies, then the interest rate on this Note



shall be automatically decreased, effective from and including the Step-down Date, to the Original Interest Rate. The interest rate on this Note may from time to time be increased to the Step-up Rate and, if so increased, thereafter decreased to the Original Interest Rate as set forth in the provisos to this sentence. For purposes of the preceding sentence, a change in the rating on the Notes by any Rating Agency shall be deemed to have occurred on the date that such Rating Agency shall have publicly announced the change.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on

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which interest is payable on this Note is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Securities, as defined in said Indenture) is registered at the close of business on the regular record date, whether or not such day is a Business Day, for such interest installment, which shall be February 1 or August 1, as the case may be, next preceding such Interest Payment Date. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered Holders of this series of Notes not more than 15 days and not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange 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.

When any change in the interest rate on the Notes occurs during any interest payment period, the amount of interest to be paid with respect to such period shall be calculated at an annual rate equal to the weighted average of the interest rate in effect immediately prior to such change and the Step-up Rate or Original Interest Rate, as applicable, in effect during such interest payment period, calculated by multiplying each such rate by the number of days such rate is in effect during each month of such interest payment period, determining the sum of such products and dividing such sum by the number of days in such interest payment period. All calculations pursuant to the preceding sentence shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Company covenants that, as promptly as practicable after any increase or decrease in the interest rate on the Notes as described above, it will (a) send written notice to the Trustee and the Holders of the Notes in the manner provided in the Indenture and (b) issue a press release, each of which shall state (i) that a change in the interest rate on the Notes has occurred and the reasons for such change in the interest rate, (ii) the annual interest rate before giving effect to such change, (iii) the annual interest rate after giving effect to such change, (iv) the days during which each interest rate has been (and assuming no further change in interest rate prior to the next applicable record date, will be) in effect during the relevant interest payment period and the amount of the interest payment due on the next interest payment date (assuming no further change in interest rate prior to the next applicable record date) and (v) the effective date of such change.

If, at any time prior to the maturity of the Notes, the Notes are rated A3 (or the equivalent) or higher by Moody's (as defined below) and A- (or the equivalent) or higher by S&P

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(as defined below), or the equivalent of such ratings used by any other Rating Agency selected as provided in the definition of the term "Rating Agencies" below, then the interest rate on the Notes shall no longer be subject to adjustment as provided above, notwithstanding any subsequent decrease in the rating of the Notes to below Investment Grade by either of the Rating Agencies.

For purposes of the foregoing, the following definitions shall

apply:

"Investment Grade" means Baa3 (or the equivalent) or higher by Moody's or BBB- (or the equivalent) or higher by S&P or the equivalent of such ratings used by any other Rating Agency selected as provided in the definition of the term "Rating Agencies."

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Rating Agencies" means (i) Moody's and S&P or (ii) if Moody's or S&P or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company by notice to the Trustee, which shall be substituted for Moody's or S&P or both, as the case may be; and "Rating Agency" shall mean either of the Rating Agencies. The Company covenants that it will use its best efforts to cause two Rating Agencies to make publicly available a rating on the Notes at all times prior to maturity of the Notes.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

The Holder of this Note is entitled to the benefits of the Registration Rights Agreement, dated August 13, 2001, between the Company and the Initial Purchasers named therein (the "Registration Rights Agreement") pursuant to which (1) if the Company fails to file an Exchange Offer Registration Statement with the Securities and Exchange Commission (the "Commission") on or prior to the 120th day after the Original Issue Date, (2) if the Exchange Offer Registration Statement is not declared effective by the Commission on or prior to the 180th day after the Original Issue Date, (3) if the Exchange Offer is not consummated on or before the 210th day after the Original Issue Date, (4) if obligated to file the Resale Registration Statement, the Company fails to file the Resale Registration Statement with the Commission on or prior to the 30th day after the filing obligation arises, (5) if obligated to file the Resale Registration Statement, the Resale Registration Statement is not declared effective on or prior to the 90th day after the obligation to file the Resale Registration Statement arises, or (6) after the Exchange Offer Registration Statement or the Resale Registration Statement, as the case may be, is declared effective, that registration statement thereafter ceases to be effective or usable (each such event referred to in clauses (1) through (6) above, a "Registration Default"), then the Company will pay additional interest (in addition to the interest otherwise due hereon) ("Additional Interest") to the Holder during the first 90-day period immediately following the occurrence of each such Registration Default in an amount equal to 0.25% per annum. The amount of interest will increase by an additional 0.25% per annum for each subsequent 90-day period until such Registration

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Default is cured, up to a maximum amount of additional interest of 1.00% per annum. Such Additional Interest will cease accruing with respect to any Registration Default when such Registration Default has been cured. The Company shall pay amounts due in respect of Additional Interest on each Interest Payment Date (or, if the Company shall default in the payment of interest on any Interest Payment Date, on the date such interest is otherwise paid as provided in the Indenture).

The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts ("U.S. Currency"); PROVIDED, HOWEVER, that payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register or by wire transfer to an account appropriately designated by the Holder entitled thereto.

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

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

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

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

Dated:

CENDANT CORPORATION

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

Attest:

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

CERTIFICATE OF AUTHENTICATION

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

Dated:

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

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

[REVERSE OF NOTE]

This Note is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of February 24, 1998 (the "Base Indenture"), duly executed and delivered between the Company and The Bank of Nova Scotia Trust Company of New York, as Trustee (the "Trustee") (as supplemented by a First Supplemental Indenture, dated February 24, 1998, a Second Supplemental Indenture, dated May 15, 2000, a Third Supplemental Indenture, dated February 26, 2001, and a Fourth Supplemental Indenture, dated July 27, 2001, and by the Officers' Certificate of the Company dated August 13, 2001) (the Base Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities. By the terms of the Indenture, the Securities are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Securities is limited in aggregate principal amount of \$850,000,000, but may reopened from time to time for future issuances of additional Securities.

The Notes are not redeemable prior to maturity.

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

The provisions of Sections 307(b) and 308 of the Indenture shall not be applicable to this series of Securities.

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

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purposes of, among other things, adding any provisions to or changing or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying the rights of the Holders of the Notes; PROVIDED, HOWEVER, that, among other things, no such supplemental indenture shall (i) reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon (subject to the Company's right to defer such payments in the manner set forth therein), or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Note so affected or (ii) reduce the aforesaid percentage of Notes, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal

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amount of the Securities of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Notes of such series, to waive a Default or Event of Default with respect to such series, and its consequences, except a Default or Event of Default in the payment of the principal of or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange for or in place hereof (whether by registration or transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

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

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

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

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

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The Indenture imposes certain limitations on the ability of the Company to, among other things, merge or consolidate with any other Person or sell, assign, transfer or lease all or substantially all of its properties or

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

The Notes may be issued in whole or in part in the form of one or more fully registered Notes without coupons in denominations of \$1,000 and any integral multiple thereof (each a "Global Note") which initially shall be deposited with, or on behalf of, The Depository Trust Company (the "Depository") and registered in the name of the Depository's nominee in either temporary or permanent form. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series so issued are exchangeable for a like aggregate amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same.

Unless and until it is exchanged for the Notes in registered form, a Global Note may be transferred, in whole but not in part, only to another nominee of the Depository, or to a successor Depository selected or approved by the Company or to a nominee of such successor Depository.

If at any time the Depository notifies the Company that it is unwilling or unable to continue as a Depository or if at any time the Depository for such series shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, and a successor Depository for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company will execute, and, subject to Article III of the Indenture, the Trustee, upon written notice from the Company, will authenticate and deliver the Notes in certificated registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. In addition, the Company may at any time determine that the Notes shall no longer be represented by Global Note. In such event the Company will execute, and subject to Section 3.3 of the Base Indenture, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver the Notes in certificated registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. Upon the exchange of the Global Note for such Notes in certificated registered form without coupons, in authorized denominations, the Global Note shall be cancelled by the Trustee. Such Notes in certificated registered form issued in exchange for the Global Note shall be registered in such names and in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Depository for delivery to the persons in whose names such Notes are so registered.

3

The Indenture contains provisions whereby (i) the Company may be discharged from its obligations with respect to the Notes (subject to certain exceptions) or (ii) the Company may be released from its obligations under specified covenants and agreements in the Indenture, in each case if the Company irrevocably deposits with the Trustee money or Government Obligations sufficient to pay and discharge the entire indebtedness on all Notes, and satisfies certain other conditions, all as more fully provided in the Indenture. In the event the Company seeks to discharge its obligations as described in the preceding sentence, the interest rate in effect for the Notes (the "Effective Rate") on the date of the irrevocable deposit of the money and/or Government Obligations as trust funds in trust for the benefit of the Holders of the Notes shall be the rate used by the Company in calculating the requisite interest and principal payments necessary to so discharge the Company's obligations (the "Defeasance Rate"). Neither the Effective Rate nor the Defeasance Rate shall thereafter be affected by any change in rating.

The Indenture shall cease to be of further effect (subject to certain exceptions) with respect to the Notes when (1) either (A) all Notes previously authenticated and delivered have been delivered (subject to certain exceptions) to the Trustee for cancellation, or (B) all Notes (i) have become due and payable or (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited with the Trustee money in an amount sufficient to pay and discharge the entire indebtedness on all such Notes not theretofore delivered to the Trustee for cancellation, and (2) the Company satisfies certain other conditions, all as more fully provided in the Indenture.

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 that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

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

TEN COM - as tenants in common	UNIF GIFT MIN ACT- _____Custodian_____
TEN ENT - as tenants by the entireties	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act
	_____
	(State)

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

ASSIGNMENT

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

-----  
-----  
-----

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

-----  
-----  
-----

(Insert address and zip code of assignee)

and irrevocably appoints

-----  
-----  
-----

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

Date: \_\_\_\_\_

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

Signature Guarantee: \_\_\_\_\_

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

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL] CERTIFICATES BEARING A RESTRICTED LEGEND]

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of an effective Resale Registration Statement or (ii) two years after the later of the original issuance of this

Note or the last date on which this Note was held by the Company or an Affiliate of the Company, the undersigned confirms that such transfer is made without utilizing any general solicitation or general advertising and further as follows:

CHECK ONE

(1) This Note is being transferred to a "qualified institutional buyer" in compliance with Rule 144A under the Securities Act of 1933, as amended, and certification in the form of Annex C to the Officers' Certificate of the Company dated August 13, 2001 is being furnished herewith.

(2) This Note is being transferred to a Non-U.S. Person in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder, and certification in the form of Annex D to the Officers' Certificate of the Company dated August 13, 2001 is being furnished herewith.

OR

(3) This Note is being transferred other than in accordance with (1) or (2) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee is not obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture have been satisfied.

Date: -----

-----  
Seller

By -----

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:(1) -----

By -----  
To be executed by an executive officer

-----  
(1) Signatures must be guaranteed by an "ELIGIBLE GUARANTOR INSTITUTION" meeting the requirements of the Registrar, which requirements include membership or participation in the Note Transfer Agent Medallion Program ("STAMP") or such other "SIGNATURE GUARANTEE PROGRAM" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGE OF NOTES

The following exchanges of a part of this Global Note for Physical Notes or a part of another Global Note have been made:

PRINCIPAL  
AMOUNT OF  
THIS





DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Certificate No. CUSIP No. U1336PAA2  
ISIN: USU1336PAA2  
Common Codes: 013429367  
U.S.\$[ ]

CENDANT CORPORATION  
6 7/8% NOTES DUE 2006

CENDANT CORPORATION, a Delaware corporation (the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or its registered assigns, the principal sum of [ (\$ )] on August 15, 2006 (such date is hereinafter referred to as the "Maturity Date"), and to pay interest on said principal sum from August 13, 2001 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, semiannually on February 15 and August 15 of each year, commencing on February 15, 2002 at the annual rate of 6 7/8% (the "Original Interest Rate") until the principal hereof is paid or duly made available for payment, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the rate of 6 7/8% until such principal, premium or installment of interest, as the case may be, is paid or duly made available for payment, compounded semiannually; PROVIDED that if, on any date (a "Step-up Date") beginning on August 13, 2001 (the "Original Issue Date") and prior to maturity of the Notes, the rating on the Notes is decreased to below Investment Grade (as defined below) by both of the Rating Agencies (as defined below), then the interest rate on this Note will be automatically increased, effective from and including the Step-up Date, to an annual rate (the "Step-up Rate") equal to the sum of Original Interest Rate plus 150 basis points; and PROVIDED FURTHER, that if, on any date (a "Step-down Date") prior to maturity when the interest rate on this Note is the Step-up Rate, the

rating on the Notes shall be increased so that the Notes are rated as Investment Grade by both Rating Agencies, then the interest rate on this Note shall be automatically decreased, effective from and including the Step-down Date, to the Original Interest Rate. The interest rate on this Note may from time to time be increased to the Step-up Rate and, if so increased, thereafter decreased to the Original Interest Rate as set forth in the provisos to this sentence. For purposes of the preceding sentence, a change in the rating on the Notes by any Rating Agency shall be deemed to have occurred on the date that such Rating Agency shall have publicly announced the change.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on which interest is payable on this Note is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Securities, as defined in said Indenture) is registered at the close of business on the regular record date, whether or not such day is a Business Day, for such interest installment, which shall be February 1 or August 1, as

the case may be, next preceding such Interest Payment Date. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered Holders of this series of Notes not more than 15 days and not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange 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.

When any change in the interest rate on the Notes occurs during any interest payment period, the amount of interest to be paid with respect to such period shall be calculated at an annual rate equal to the weighted average of the interest rate in effect immediately prior to such change and the Step-up Rate or Original Interest Rate, as applicable, in effect during such interest payment period, calculated by multiplying each such rate by the number of days such rate is in effect during each month of such interest payment period, determining the sum of such products and dividing such sum by the number of days in such interest payment period. All calculations pursuant to the preceding sentence shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Company covenants that, as promptly as practicable after any increase or decrease in the interest rate on the Notes as described above, it will (a) send written notice to the

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Trustee and the Holders of the Notes in the manner provided in the Indenture and (b) issue a press release, each of which shall state (i) that a change in the interest rate on the Notes has occurred and the reasons for such change in the interest rate, (ii) the annual interest rate before giving effect to such change, (iii) the annual interest rate after giving effect to such change, (iv) the days during which each interest rate has been (and assuming no further change in interest rate prior to the next applicable record date, will be) in effect during the relevant interest payment period and the amount of the interest payment due on the next interest payment date (assuming no further change in interest rate prior to the next applicable record date) and (v) the effective date of such change.

If, at any time prior to the maturity of the Notes, the Notes are rated A3 (or the equivalent) or higher by Moody's (as defined below) and A- (or the equivalent) or higher by S&P (as defined below), or the equivalent of such ratings used by any other Rating Agency selected as provided in the definition of the term "Rating Agencies" below, then the interest rate on the Notes shall no longer be subject to adjustment as provided above, notwithstanding any subsequent decrease in the rating of the Notes to below Investment Grade by either of the Rating Agencies.

For purposes of the foregoing, the following definitions shall apply:

"Investment Grade" means Baa3 (or the equivalent) or higher by Moody's or BBB- (or the equivalent) or higher by S&P or the equivalent of such ratings used by any other Rating Agency selected as provided in the definition of the term "Rating Agencies."

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Rating Agencies" means (i) Moody's and S&P or (ii) if Moody's or S&P or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company by notice to the Trustee, which shall be substituted for Moody's or S&P or both, as the case may be; and "Rating Agency" shall mean either of the Rating Agencies. The Company covenants that it will use its best efforts to cause two Rating Agencies to make publicly available a rating on the Notes at all times prior to maturity of the Notes.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

The Holder of this Note is entitled to the benefits of the Registration Rights Agreement, dated August 13, 2001, between the Company and the Initial Purchasers named therein (the "Registration Rights Agreement") pursuant to which (1) if the Company fails to file an Exchange Offer

Registration Statement with the Securities and Exchange Commission (the "Commission") on or prior to the 120th day after the Original Issue Date, (2) if the Exchange Offer Registration Statement is not declared effective by the Commission on or prior to the 180th

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day after the Original Issue Date, (3) if the Exchange Offer is not consummated on or before the 210th day after the Original Issue Date, (4) if obligated to file the Resale Registration Statement, the Company fails to file the Resale Registration Statement with the Commission on or prior to the 30th day after the filing obligation arises, (5) if obligated to file the Resale Registration Statement, the Resale Registration Statement is not declared effective on or prior to the 90th day after the obligation to file the Resale Registration Statement arises, or (6) after the Exchange Offer Registration Statement or the Resale Registration Statement, as the case may be, is declared effective, that registration statement thereafter ceases to be effective or usable (each such event referred to in clauses (1) through (6) above, a "Registration Default"), then the Company will pay additional interest (in addition to the interest otherwise due hereon) ("Additional Interest") to the Holder during the first 90-day period immediately following the occurrence of each such Registration Default in an amount equal to 0.25% per annum. The amount of interest will increase by an additional 0.25% per annum for each subsequent 90-day period until such Registration Default is cured, up to a maximum amount of additional interest of 1.00% per annum. Such Additional Interest will cease accruing with respect to any Registration Default when such Registration Default has been cured. The Company shall pay amounts due in respect of Additional Interest on each Interest Payment Date (or, if the Company shall default in the payment of interest on any Interest Payment Date, on the date such interest is otherwise paid as provided in the Indenture).

The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts ("U.S. Currency"); PROVIDED, HOWEVER, that payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register or by wire transfer to an account appropriately designated by the Holder entitled thereto.

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

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

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

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

Dated:

CENDANT CORPORATION

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

Attest:

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

## CERTIFICATE OF AUTHENTICATION

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

Dated:

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

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

[REVERSE OF NOTE]

This Note is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of February 24, 1998 (the "Base Indenture"), duly executed and delivered between the Company and The Bank of Nova Scotia Trust Company of New York, as Trustee (the "Trustee") (as supplemented by a First Supplemental Indenture, dated February 24, 1998, a Second Supplemental Indenture, dated May 15, 2000, a Third Supplemental Indenture, dated February 16, 2001, and a Fourth Supplemental Indenture, dated July 27, 2001, and by the Officers' Certificate of the Company dated August 13, 2001) (the Base Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities. By the terms of the Indenture, the Securities are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Securities is limited in aggregate principal amount of \$850,000,000, but may reopened from time to time for future issuances of additional Securities.

The Notes are not redeemable prior to maturity.

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

The provisions of Sections 307(b) and 308 of the Indenture shall not be applicable to this series of Securities.

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

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purposes of, among other things, adding any provisions to or changing or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying the rights of the Holders of the Notes; PROVIDED, HOWEVER, that, among other things, no such supplemental indenture shall (i) reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon (subject to the Company's right to defer such payments in the manner set forth therein), or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Note so affected or (ii) reduce the aforesaid percentage of Notes, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in

aggregate principal amount of the Securities of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Notes of such series, to waive a Default or Event of Default with respect to such series, and its consequences, except a Default or Event of Default in the payment of the principal of or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note

issued in exchange for or in place hereof (whether by registration or transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

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

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

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

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

2

The Indenture imposes certain limitations on the ability of the Company to, among other things, merge or consolidate with any other Person or sell, assign, transfer or lease all or substantially all of its properties or assets. All such covenants and limitations are subject to a number of important qualifications and exceptions. The Company must report periodically to the Trustee on compliance with the covenants in the Indenture.

The Notes may be issued in whole or in part in the form of one or more fully registered Notes without coupons in denominations of \$1,000 and any integral multiple thereof (each a "Global Note") which initially shall be deposited with, or on behalf of, The Depository Trust Company (the "Depository") and registered in the name of the Depository's nominee in either temporary or permanent form. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series so issued are exchangeable for a like aggregate amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same.

Unless and until it is exchanged for the Notes in registered form, a Global Note may be transferred, in whole but not in part, only to another nominee of the Depository, or to a successor Depository selected or approved by the Company or to a nominee of such successor Depository.

If at any time the Depository notifies the Company that it is unwilling or unable to continue as a Depository or if at any time the Depository for such series shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, and a successor Depository for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company will execute, and, subject to Article III of the Indenture, the Trustee, upon written notice from the Company, will authenticate and deliver the Notes in certificated registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. In

addition, the Company may at any time determine that the Notes shall no longer be represented by Global Note. In such event the Company will execute, and subject to Section 3.3 of the Base Indenture, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver the Notes in certificated registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. Upon the exchange of the Global Note for such Notes in certificated registered form without coupons, in authorized denominations, the Global Note shall be cancelled by the Trustee. Such Notes in certificated registered form issued in exchange for the Global Note shall be registered in such names and in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Depository for delivery to the persons in whose names such Notes are so registered.

3

The Indenture contains provisions whereby (i) the Company may be discharged from its obligations with respect to the Notes (subject to certain exceptions) or (ii) the Company may be released from its obligations under specified covenants and agreements in the Indenture, in each case if the Company irrevocably deposits with the Trustee money or Government Obligations sufficient to pay and discharge the entire indebtedness on all Notes, and satisfies certain other conditions, all as more fully provided in the Indenture. In the event the Company seeks to discharge its obligations as described in the preceding sentence, the interest rate in effect for the Notes (the "Effective Rate") on the date of the irrevocable deposit of the money and/or Government Obligations as trust funds in trust for the benefit of the Holders of the Notes shall be the rate used by the Company in calculating the requisite interest and principal payments necessary to so discharge the Company's obligations (the "Defeasance Rate"). Neither the Effective Rate nor the Defeasance Rate shall thereafter be affected by any change in rating.

The Indenture shall cease to be of further effect (subject to certain exceptions) with respect to the Notes when (1) either (A) all Notes previously authenticated and delivered have been delivered (subject to certain exceptions) to the Trustee for cancellation, or (B) all Notes (i) have become due and payable or (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited with the Trustee money in an amount sufficient to pay and discharge the entire indebtedness on all such Notes not theretofore delivered to the Trustee for cancellation, and (2) the Company satisfies certain other conditions, all as more fully provided in the Indenture.

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 that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

4

ABBREVIATIONS

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

TEN COM - as tenants in common	UNIF GIFT MIN ACT- _____Custodian_____
TEN ENT - as tenants by the entireties	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____ (State)

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

5

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this

Note to:

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-----

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

-----  
-----  
-----

(Insert address and zip code of assignee)

and irrevocably appoints

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

Date: \_\_\_\_\_

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

Signature Guarantee: \_\_\_\_\_

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

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL]  
CERTIFICATES BEARING A RESTRICTED LEGEND]

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of an effective Resale Registration Statement or (ii) two years after the later of the original issuance of this Note or the last date on which this Note was held by the Company or an Affiliate of the Company, the undersigned confirms that such transfer is made without utilizing any general solicitation or general advertising and further as follows:

CHECK ONE

(1) This Note is being transferred to a "qualified institutional buyer" in compliance with Rule 144A under the Securities Act of 1933, as amended, and certification in the form of Annex C to the Officers' Certificate of the Company dated August 13, 2001 is being furnished herewith.

(2) This Note is being transferred to a Non-U.S. Person in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder, and certification in the form of Annex D to the Officers' Certificate of the Company dated August 13, 2001 is being furnished herewith.

OR

(3) This Note is being transferred other than in accordance with (1) or (2) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee is not obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture have been satisfied.

Date:

-----  
Seller

By  
-----

7

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:(2)  
-----

By  
-----

To be executed by an executive officer

-----  
(2) Signatures must be guaranteed by an "ELIGIBLE GUARANTOR INSTITUTION" meeting the requirements of the Registrar, which requirements include membership or participation in the Note Transfer Agent Medallion Program ("STAMP") or such other "SIGNATURE GUARANTEE PROGRAM" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

8

#### SCHEDULE OF EXCHANGE OF NOTES

The following exchanges of a part of this Global Note for Physical Notes or a part of another Global Note have been made:

PRINCIPAL  
AMOUNT OF  
THIS  
GLOBAL  
NOTE  
AMOUNT OF  
DECREASE  
AMOUNT OF  
INCREASE  
FOLLOWING  
SUCH  
SIGNATURE  
OF IN  
PRINCIPAL  
AMOUNT IN  
PRINCIPAL  
AMOUNT  
DECREASE  
(OR  
AUTHORIZED  
OFFICER OF  
DATE OF  
EXCHANGE  
OF THIS  
GLOBAL  
NOTE OF  
THIS  
GLOBAL  
NOTE  
INCREASE)  
TRUSTEE --  
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## EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT, dated as of August 13, 2001, among Cendant Corporation, Inc., a Delaware corporation (the "COMPANY"), and J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., Credit Lyonnais Securities (USA) Inc., The Royal Bank of Scotland plc, Scotia Capital (USA) Inc., Tokyo-Mitsubishi International plc and The Williams Capital Group, L.P. (collectively, the "INITIAL PURCHASERS").

The Company proposes to issue and sell to the Initial Purchasers upon the terms set forth in the Purchase Agreement the Securities (as defined herein). As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchasers thereunder, the Company agrees with the Initial Purchasers for the benefit of holders (as defined herein) from time to time of the Registrable Securities (as defined herein) as follows:

## SECTION 1. CERTAIN DEFINITIONS.

For purposes of this Exchange and Registration Rights Agreement, the following terms shall have the following respective meanings:

The term "BROKER-DEALER" shall mean any broker or dealer registered with the Commission under the Exchange Act.

"CLOSING" shall mean the date of the closing of the issuance and sale of the Securities pursuant to the Purchase Agreement.

"COMMISSION" shall mean the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

"COMPANY" shall have the meaning assigned thereto in the recitals hereof (together with any successor).

"EFFECTIVE TIME" in the case of (i) an Exchange Registration, shall mean the time and date as of which the Commission declares the Exchange Offer Registration Statement effective or as of which the Exchange Offer Registration Statement otherwise becomes effective and (ii) a Resale Registration, shall mean the time and date as of which the Commission declares the Resale Registration Statement effective or as of which the Resale Registration Statement otherwise becomes effective.

"ELECTING HOLDER" shall mean any holder of Registrable Securities that has returned a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(d)(ii) or 3(d)(iii) hereof.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, or any successor thereto, as the same shall be amended from time to time.

"EXCHANGE OFFER" shall have the meaning assigned thereto in Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION STATEMENT" shall have the meaning assigned thereto in Section 2(a) hereof.

"EXCHANGE REGISTRATION" shall have the meaning assigned thereto in Section 3(c) hereof.

"EXCHANGE SECURITIES" shall have the meaning assigned thereto in Section 2(a) hereof.

The term "HOLDER" shall mean each of the Initial Purchasers and other persons who acquire Registrable Securities from time to time (including any successors or assigns), in each case for so long as such person owns any Registrable Securities.

"INITIAL PURCHASERS" shall have the meaning assigned thereto in the recitals hereof (together with any successors).

"INDENTURE" shall mean the Indenture, dated as of February 24, 1998, between the Company and The Bank of Nova Scotia Trust Company of New York, as Trustee, as the same shall be amended from time to time.

"NOTICE AND QUESTIONNAIRE" shall mean a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Exhibit A hereto.

"NOTICE OF TRANSFER" shall mean a Notice of Transfer pursuant to Registration Statement substantially in the form of Exhibit B hereto.

The term "PERSON" shall mean any individual, corporation, partnership, joint venture, limited liability company, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof.

"PURCHASE AGREEMENT" shall mean the Purchase Agreement, dated as of August 8, 2001, among the Company and the Initial Purchasers relating to the Securities, as the same shall be amended from time to time.

"REGISTRABLE SECURITIES" shall mean the Securities; PROVIDED, HOWEVER, that a Security shall cease to be a Registrable Security when (i) in the circumstances contemplated by Section 2(a) hereof, the Security has been exchanged for an Exchange Security in an Exchange Offer as contemplated in Section 2(a) hereof (PROVIDED that any Exchange Security received by a broker-dealer in an Exchange Offer in exchange for a Registrable Security that was not acquired by the broker-dealer directly from the Company will also be a Registrable Security through and including the earlier of the expiration of the Resale Period or such time as such broker-dealer no longer owns such Security); (ii) in the circumstances contemplated by Section 2(b) hereof, a Resale Registration Statement registering such Security under the Securities Act has been

declared or becomes effective and such Security has been sold or otherwise transferred by the holder thereof pursuant to and in a manner contemplated by such effective Resale Registration Statement; (iii) such Security is sold pursuant to Rule 144 under circumstances in which any legend borne by such Security relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Company or pursuant to the Indenture; (iv) such Security is eligible to be sold pursuant to paragraph (k) of Rule 144; or (v) such Security shall cease to be outstanding.

"REGISTRATION DEFAULT" shall have the meaning assigned thereto in Section 2(c) hereof.

"REGISTRATION EXPENSES" shall have the meaning assigned thereto in Section 4 hereof.

"RESALE PERIOD" shall have the meaning assigned thereto in Section 2(a) hereof.

"RESALE REGISTRATION" shall have the meaning assigned thereto in Section 2(b) hereof.

"RESALE REGISTRATION STATEMENT" shall have the meaning assigned thereto in Section 2(b) hereof.

"RESTRICTED HOLDER" shall mean (i) a holder that is an affiliate of the Company within the meaning of Rule 405 under the Securities Act, (ii) a holder who acquires Exchange Securities outside the ordinary course of such holder's business, (iii) a holder who has arrangements or understandings with any person to participate in the Exchange Offer for the purpose of distributing Exchange Securities and (iv) a holder that is a broker-dealer, but only with respect to Exchange Securities received by such broker-dealer pursuant to an Exchange Offer in exchange for Registrable Securities acquired by the broker-dealer directly from the Company.

"RULE 144," "RULE 405" and "RULE 415" shall mean, in each case, such rule promulgated under the Securities Act (or any successor provision), as the same shall be amended from time to time.

"SECURITIES" shall mean, collectively, the \$850,000,000 aggregate principal amount at maturity of 6% Notes due August 15, 2006 of the Company to be issued and sold to the Initial Purchasers and securities issued in exchange therefor or in lieu thereof pursuant to the Indenture.

"SECURITIES ACT" shall mean the Securities Act of 1933, or any successor thereto, as the same shall be amended from time to time.

"TRUST INDENTURE ACT" shall mean the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

"TRUSTEE" shall mean The Bank of Nova Scotia Trust Company of New York, a national banking association duly organized and existing under the laws of the United States of America (together with any successor).

Unless the context otherwise requires, any reference herein to a "SECTION" or "CLAUSE" refers to a Section or clause, as the case may be, of this Exchange and Registration Rights Agreement, and the words "HEREIN," "HEREOF" and "HEREUNDER" and other words of similar import refer to this Exchange and Registration Rights Agreement as a whole and not to any particular Section or other subdivision.

## SECTION 2. REGISTRATION UNDER THE SECURITIES ACT.

(a) Except as set forth in Section 2(b) below, the Company agrees to:

(1) file under the Securities Act, no later than 120 days after the Closing Date, a registration statement relating to an offer to exchange (such registration statement, the "EXCHANGE OFFER REGISTRATION STATEMENT," and such offer, the "EXCHANGE OFFER") any and all of the Securities (other than Exchange Securities) for a like aggregate principal amount of debt securities issued by the Company, which debt securities are substantially identical to the Securities (and are entitled to the benefits of an indenture which is substantially identical to the Indenture or is the Indenture and which has been qualified under the Trust Indenture Act), except that they have been registered pursuant to an effective registration statement under the Securities Act and do not contain provisions for the additional interest contemplated in Section 2(c) below (such new debt securities hereinafter called "EXCHANGE SECURITIES");

(2) use its best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act as soon as practicable, but no later than 180 days after the Closing Date;

(3) use its best efforts to commence and complete the Exchange Offer promptly, but no later than 210 days after the Closing Date; and

(4) hold the Exchange Offer open for at least 30 days (or longer if required by applicable law) after the date the notice of the Exchange Offer is mailed to the holders and issue Exchange Securities for all Registrable Securities that have been properly tendered and not withdrawn on or prior to the expiration of the Exchange Offer.

The Exchange Offer will be registered under the Securities Act on the appropriate form and will comply with all applicable tender offer rules and regulations under the Exchange Act. The Exchange Offer will be deemed to have been "completed" only if the debt securities received by holders other than Restricted Holders in the Exchange Offer for Registrable Securities are, upon receipt, transferable by each such holder without need for further compliance with Section 5 of the Securities Act and the Exchange Act (except for the requirement to deliver a prospectus included in the Exchange Offer Registration Statement applicable to resales by any broker-dealer of Exchange Securities received by such broker-dealer pursuant to the Exchange Offer in exchange for Registrable Securities other than those acquired by the broker-dealer directly from the Company), and without material restrictions under the blue

sky or securities laws of a substantial majority of the States of the United States of America. Subject to the preceding sentence, the Exchange Offer shall be deemed to have been completed upon the earlier to occur of (i) the Company having exchanged the Exchange Securities for all outstanding Registrable Securities (other than those held by Restricted Holders) pursuant to the Exchange Offer and (ii) the Company having exchanged, pursuant to the Exchange Offer, Exchange Securities for all Registrable Securities that have been properly tendered and not withdrawn before the expiration of the Exchange Offer, which shall be on a date that is at least 30 days following the commencement of the Exchange Offer.

The Company agrees (x) to include in the Exchange Offer Registration Statement a prospectus for use in connection with any resales of Exchange Securities by a broker-dealer, other than resales of Exchange Securities received by a broker-dealer pursuant to an Exchange Offer in exchange for Registrable Securities acquired by the broker-dealer directly from the Company, and (y) to keep such Exchange Offer Registration Statement effective for a period (the "RESALE PERIOD") beginning when Exchange Securities are first issued in the Exchange Offer and ending upon the earlier of the expiration of the 180th day after the Exchange Offer has been completed or such time as such broker-dealers no longer own any Registrable Securities. With respect to such Exchange Offer Registration Statement, each broker-dealer that holds Exchange Securities received in an Exchange Offer in exchange for Registrable Securities not acquired by it directly from the Company shall have the benefit of the rights of indemnification and contribution set forth in Sections 6(a), (c), (d) and (e) hereof.

(b) If, on or prior to the date of consummation of the Exchange Offer,

(i) existing Commission interpretations are changed such that the Securities received by holders other than Restricted Holders in the Exchange Offer for Registrable Securities are not or would not be, upon receipt, transferable by each such holder without need for further compliance with Section 5 of the Securities Act (except for the requirement to deliver a prospectus included in the Exchange Offer Registration Statement applicable to resales by a broker-dealer of Exchange Securities received by such broker-dealer pursuant to the Exchange Offer in exchange for Registrable Securities other than those acquired by the broker-dealer directly from the Company),

(ii) the holder of the Securities shall notify the Company that:

(A) the holder is prohibited by law or Commission policy from participating in the Exchange Offer, or

(B) (1) the holder may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and (2) the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by the holder, or

(iii) if for any other reason, the Company does not consummate the Exchange Offer within 210 days of the Closing Date,

in lieu of conducting the Exchange Offer contemplated by Section 2(a) the Company shall, as promptly as practicable, file a "shelf" registration statement providing for the registration of, and

the sale on a continuous or delayed basis by the holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (such registration, the "RESALE REGISTRATION" and such registration statement, the "RESALE REGISTRATION STATEMENT").

In addition, in the event that, prior to the consummation of the Exchange Offer, the Initial Purchasers shall not have resold all of the Securities initially purchased by them from the Company pursuant to the Purchase Agreement and the Initial Purchasers shall so request, the Company shall file under the Securities Act as soon as practicable a Resale Registration Statement covering such unsold Registrable Securities. (In the case of any Resale Registration required only by the second sentence of this Section 2(b), references herein to "REGISTRABLE SECURITIES" mean those Securities that the Initial Purchasers shall have purchased from the Company pursuant to the Purchase Agreement and shall not have resold.)

The Company agrees to use its best efforts:

(i) to cause the Resale Registration Statement to become or be declared effective,

(ii) to keep such Resale Registration Statement continuously effective until the earliest of (A) the time when the Registrable Securities may be sold pursuant to Rule 144 (assuming that no holder at such date or within the 90-day period preceding such date was an affiliate of the Company) without any limitations under clauses (c), (e), (f) and (h) of Rule 144, (B) two years from the Closing Date or (C) the date on which all Registrable Securities registered under the Shelf Registration Statement are disposed of in accordance therewith, in order to permit the prospectus forming a part thereof to be usable by holders for resales of Registrable Securities, PROVIDED, HOWEVER, that no holder shall be entitled to be named as a selling securityholder in the Resale Registration Statement or to use the prospectus forming a part thereof for resales of Registrable Securities unless such holder is an Electing Holder, and

(iii) after the Effective Time of the Resale Registration Statement and for so long as the Resale Registration Statement is required to be kept continuously effective pursuant to clause (i) above, from time to time, upon the request of any holder of Registrable Securities that is not then an Electing Holder, and provided that such holder shall have returned a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(d)(iii) hereof, to take any action reasonably necessary to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities, including any action necessary to identify such holder as a selling securityholder in the Resale Registration Statement.

The Company further agrees to supplement or make amendments to the Resale Registration Statement, as and when required by the rules, regulations or instructions applicable to the registration form used by the Company for such Resale Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, and the Company agrees

to furnish to each Electing Holder upon request copies of any such supplement or amendment promptly following its filing with the Commission.

(c) In the event that:

(i) the Company has not filed the Exchange Offer Registration Statement on or before the 120th day after the Closing Date,

(ii) such Exchange Offer Registration Statement has not become effective or been declared effective by the Commission on or prior to the 180th day after the Closing Date,

(iii) the Exchange Offer has not been completed on or prior to the 210th day after the Closing Date (if the Exchange Offer is then required to be made),

(iv) the Company is obligated to file the Resale Shelf Registration Statement, the Company fails to file the Resale Shelf Registration Statement with the Commission on or prior to the 30th day after the filing obligation arises,

(v) the Company is obligated to file the Resale Shelf Registration Statement, the Resale Shelf Registration Statement is not declared effective on or prior to the 90th day after the obligation to file the Resale Shelf Registration Statement arises, or

(vi) any Exchange Offer Registration Statement or Resale Registration Statement required by Section 2(a) or 2(b) hereof is filed and declared effective but shall thereafter either be withdrawn by the Company, become subject to an effective stop order issued pursuant to Section 8(d) of the Securities Act suspending the effectiveness of such registration statement or otherwise cease to be available for resales of Registrable Securities covered thereby (except as specifically permitted herein) without being succeeded promptly by an additional registration statement filed, declared effective and available for such purposes (each such event referred to in clauses (i) through (vi), a "REGISTRATION DEFAULT"),

then, as liquidated damages for such Registration Default, subject to the provisions of Section 9(b), the Company will pay additional interest (in addition to the interest otherwise due on the Securities) to each holder of Securities during the first 90-day period immediately following the occurrence of each such Registration Default in an amount equal to 0.25% per annum. The amount of interest will increase by an additional 0.25% per annum for each subsequent 90-day period until such Registration Default is cured, up to a maximum amount of additional interest of 1.00% per annum. Such additional interest will cease accruing on such Securities with respect to any Registration Default when such Registration Default has been cured.

(d) The Company shall take all reasonable actions necessary or advisable to be taken by it to ensure that the transactions contemplated herein are effected as so contemplated.

(e) Any reference herein to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by



reference as of such time, and any reference herein to any amendment to a registration statement as of any time shall be deemed to include any document incorporated, or deemed to be incorporated, therein by reference as of such time.

### SECTION 3. REGISTRATION PROCEDURES.

If the Company files a registration statement pursuant to Section 2(a) or Section 2(b), the following provisions shall apply:

(a) At or before the Effective Time of the Exchange Offer or the Resale Registration, as the case may be, the Company shall qualify the Indenture under the Trust Indenture Act.

(b) In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(c) In connection with the Company's obligations with respect to the registration of Exchange Securities as contemplated by Section 2(a) (the "EXCHANGE REGISTRATION"), if applicable, the Company shall, as soon as reasonably practicable (or as otherwise specified):

(i) prepare and file with the Commission, no later than 120 days after the Closing Date, an Exchange Offer Registration Statement on any form which may be utilized by the Company and which shall permit the Exchange Offer and resales of Exchange Securities by broker-dealers during the Resale Period to be effected as contemplated by Section 2(a), and use all reasonable efforts to cause such Exchange Offer Registration Statement to become effective as soon as practicable thereafter, but no later than 180 days after the Closing Date;

(ii) as soon as practicable prepare and file with the Commission such amendments and supplements to such Exchange Offer Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Exchange Offer Registration Statement for the periods and purposes contemplated in Section 2(a) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Exchange Offer Registration Statement, and promptly provide each broker-dealer holding Exchange Securities with such number of copies of the prospectus included therein (as then amended or supplemented), in conformity in all material respects with the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, as such broker-dealer reasonably may request in writing prior to the expiration of the Resale Period, for use in connection with resales of Exchange Securities;

(iii) promptly notify each broker-dealer that has requested or received copies of the prospectus included in the Exchange Offer Registration Statement, and confirm such advice in writing, (A) when such Exchange Offer Registration Statement or the prospectus included therein, or any amendment or supplement

thereto, has been filed, and, with respect to such Exchange Offer Registration Statement or any amendment thereto, when the same has become effective, (B) of any comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto or any request by the Commission for amendments or supplements to such Exchange Offer Registration Statement or prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Exchange Offer Registration Statement or the initiation or threatening of any proceedings for that purpose, (D) if at any time the representations and warranties of the Company contemplated by Section 5 cease to be true and correct in all material respects, (E) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Exchange Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose or (F) at any time during the Resale Period when a prospectus is required to be delivered under the Securities Act, that such Exchange Offer Registration Statement, prospectus, or any amendment or supplement thereto, does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder or contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(iv) in the event that the Company would be required, pursuant to Section 3(c)(iii)(F) above, to notify any broker-dealers holding Exchange Securities, promptly prepare and furnish to each such holder a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of such Exchange Securities during the Resale Period, such prospectus shall conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each broker-dealer holding Exchange Securities during the Resale Period agrees that upon receipt of any notice from the Company pursuant to Section 3(c)(iii)(F) above, such broker-dealer shall forthwith discontinue disposition of Exchange Securities pursuant to the Exchange Offer Registration Statement applicable to such Exchange Securities until such broker-dealer shall have received copies of such amended or supplemented prospectus, and if so directed by the Company, such broker-dealer shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such broker-dealer's possession of the prospectus covering such Exchange Securities at the time of receipt of such notice; PROVIDED, HOWEVER, that the Company hereby agrees that if it provides notice to any broker-dealers pursuant to Section 3(c)(iii)(F) above during the Resale Period, such Resale Period shall be extended by the number of days in the period from and including the date of the giving of such notice to and including the date on which the Company shall have made available to such broker-dealers copies of the amended or supplemented

prospectus necessary to permit such broker-dealers to resume disposition of Exchange Securities;

(v) use all reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of such Exchange Offer Registration Statement or any amendment thereto at the earliest practicable date;

(vi) use all reasonable efforts to (A) register or qualify the Exchange Securities under the securities laws or blue sky laws of such jurisdictions as are contemplated by Section 2(a), if such registration or qualification is required by such laws, no later than the commencement of the Exchange Offer, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions until the expiration of the Resale Period and (C) take any and all other actions as may be reasonably necessary or advisable to enable each broker-dealer holding Exchange Securities to consummate the disposition thereof in such jurisdictions; PROVIDED, HOWEVER, that the Company shall not be required for any such purpose to (1) qualify as a foreign corporation in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(c)(vi), or (2) consent to general service of process in any such jurisdiction;

(vii) use all reasonable efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Exchange Registration, the Exchange Offer and the offering and sale of Exchange Securities by broker-dealers during the Resale Period;

(viii) provide a CUSIP number for all Exchange Securities, not later than the applicable Effective Time;

(ix) comply with all applicable rules and regulations of the Commission, and make generally available to the Company's securityholders as soon as practicable but no later than eighteen months after the effective date of such Exchange Offer Registration Statement, an earnings statement of each of the Company and its subsidiaries complying with Section 11 (a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder and any applicable Commission interpretation regarding information reporting by a consolidated subsidiary of a reporting company);

(d) In connection with the Company's obligations with respect to the Resale Registration, if applicable, the Company shall, as soon as reasonably practicable (or as otherwise specified):

(i) prepare and file with the Commission, as soon as reasonably practicable but in any case within 30 days after the obligation to file the Resale Registration Statement arises, a Resale Registration Statement on any form which may be utilized by the Company and which shall register all of the Registrable Securities for resale by the holders thereof in accordance with such method or

methods of disposition as may be specified by such of the holders as, from time to time, may be Electing Holders and use its reasonable best efforts to cause such Resale Registration Statement to become effective as soon as practicable but in any case within 90 days after the obligation to file the Resale Registration Statement arises;

(ii) not less than 30 days prior to the Effective Time of the Resale Registration Statement, mail the Notice and Questionnaire to the holders of Registrable Securities; no holder shall be entitled to be named as a selling securityholder in the Resale Registration Statement as of the Effective Time, and no holder shall be entitled to use the prospectus forming a part thereof for resales of Registrable Securities at any time, unless such holder has returned a completed and signed Notice and Questionnaire to the Company by the deadline for response set forth therein; PROVIDED, HOWEVER, holders of Registrable Securities shall have at least 30 days from the date on which the Notice and Questionnaire is first mailed to such holders to return a completed and signed Notice and Questionnaire to the Company;

(iii) after the Effective Time of the Resale Registration Statement, (A) upon the request of any holder of Registrable Securities that is not then an Electing Holder, promptly send a Notice and Questionnaire to such holder and (B) upon receipt by the Company of a completed and signed Notice and Questionnaire from any holder of Registrable Securities that is not then an Electing Holder, take any action reasonably necessary to cause such holder to be named as a selling securityholder in the Resale Registration Statement and to enable such holder to use the prospectus forming a part thereof for resales of Registrable Securities; PROVIDED that the Company shall not be required to take any action contemplated in clause (B) of this paragraph until such holder has returned a completed and signed Notice and Questionnaire to the Company;

(iv) as soon as reasonably practicable prepare and file with the Commission such amendments and supplements to such Resale Registration Statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such Resale Registration Statement for the period specified in Section 2(b) hereof and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Resale Registration Statement, and furnish to the Electing Holders upon written request copies of any such supplement or amendment promptly following its filing with the Commission;

(v) comply with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such Resale Registration Statement in accordance with the intended methods of disposition by the Electing Holders provided for in such Resale Registration Statement;

(vi) provide (A) the Electing Holders, (B) the underwriters (which term, for purposes of this Exchange and Registration Rights Agreement, shall

include a person deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act), if any, thereof, (C) any sales or placement agent therefor, (D) counsel for any such underwriter or agent and (E) not more than one counsel for all the Electing Holders the opportunity to participate in the preparation of such Resale Registration Statement, each prospectus included therein or filed with the Commission and each amendment or supplement thereto; PROVIDED, HOWEVER, that nothing herein shall prevent the Company from filing the Resale Offer Registration Statement in a timely manner to avoid a Registration Default;

(vii) for a reasonable period prior to the filing of such Resale Registration Statement, and throughout the period specified in Section 2(b), make available at reasonable times at the Trustee's principal place of business or such other reasonable place for inspection by the persons referred to in Section 3(d)(vi) who shall certify to the Company that they have a current intention to sell the Registrable Securities pursuant to the Resale Registration such financial and other information and certified copies of the books and records of the Company, and cause the officers, employees, counsel and independent certified public accountants of the Company to respond to such inquiries, as shall be reasonably necessary, in the judgment of the Company and its counsel, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; PROVIDED, HOWEVER, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Company in writing as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise), (B) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Company prompt prior written notice of such requirement) or (C) such information is required to be set forth in such Resale Registration Statement or the prospectus included therein or in an amendment to such Resale Registration Statement or an amendment or supplement to such prospectus in order that such Resale Registration Statement, prospectus, amendment or supplement, as the case may be, complies with applicable requirements of the federal securities laws and the rules and regulations of the Commission and does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(viii) promptly notify each of the Electing Holders, any sales or placement agent therefor and any underwriter thereof (which notification may be made through any managing underwriter that is a representative of such underwriter for such purpose) and confirm such advice in writing, (A) when such Resale Registration Statement or the prospectus included therein, or any amendment or supplement thereto, has been filed, and, with respect to such Resale Registration Statement or any amendment thereto, when the same has become effective, (B) of any comments by the Commission and by the blue sky or

securities commissioner or regulator of any state with respect thereto or any request by the Commission for amendments or supplements to such Resale Registration Statement or prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Resale Registration Statement or the initiation or threatening of any proceedings for that purpose, (D) if at any time the representations and warranties of the Company contemplated by Section 3(d)(xvi) or Section 5 cease to be true and correct in all material respects, (E) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose or (F) if at any time when a prospectus is required to be delivered under the Securities Act, such Resale Registration Statement, prospectus, or amendment or supplement thereto, does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder or contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(ix) use all reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto at the earliest practicable date;

(x) if requested by any managing underwriter or underwriters, any placement or sales agent or any Electing Holder, promptly incorporate in a prospectus supplement or amendment such information as is required by the applicable rules and regulations of the Commission and as such managing underwriter or underwriters, such agent or such Electing Holder specifies should be included therein relating to the terms of the sale of such Registrable Securities, including information with respect to the principal amount of Registrable Securities being sold by such Electing Holder or agent or to any underwriters, the name and description of such Electing Holder, agent or underwriter, the offering price of such Registrable Securities and any discount, commission or other compensation payable in respect thereof, the purchase price being paid therefor by such underwriters and with respect to any other terms of the offering of the Registrable Securities to be sold by such Electing Holder or agent or to such underwriters; and make all required filings of such prospectus supplement or amendment promptly after notification of the matters to be incorporated in such prospectus supplement or amendment;

(xi) furnish to each Electing Holder, each placement or sales agent, if any, therefor, each underwriter, if any, of the Registrable Securities and the respective counsel referred to in Section 3(d)(vi) upon written request, an executed copy (or, in the case of an Electing Holder, a conformed copy) of such Resale Registration Statement, each such amendment and supplement thereto (in each case including all exhibits thereto (in the case of an Electing Holder of Registrable Securities, upon request) and documents incorporated by reference

therein) and such number of copies of such Resale Registration Statement (excluding exhibits thereto and documents incorporated by reference therein unless specifically so requested by such Electing Holder, agent or underwriter, as the case may be) and of the prospectus included in such Resale Registration Statement (including each preliminary prospectus and any summary prospectus), in conformity in all material respects with the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder, and such other documents, as such Electing Holder, agent, if any, and underwriter, if any, may reasonably request in writing in order to facilitate the offering and disposition of the Registrable Securities owned by such Electing Holder, offered or sold by such agent or underwritten by such underwriter and to permit such Electing Holder, agent and underwriter to satisfy the prospectus delivery requirements of the Securities Act; and the Company hereby consents to the use of such prospectus (including such preliminary and summary prospectus) and any amendment or supplement thereto by each such Electing Holder and by any such agent and underwriter, in each case in the form most recently provided to such person by the Company, in connection with the offering and sale of the Registrable Securities covered by the prospectus (including such preliminary and summary prospectus) or any supplement or amendment thereto;

(xii) use all reasonable efforts to (A) register or qualify the Registrable Securities to be included in such Resale Registration Statement under such securities laws or blue sky laws of such jurisdictions as any Electing Holder and each placement or sales agent, if any, therefor and underwriter, if any, thereof shall reasonably request, (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Resale Registration is required to remain effective under Section 2(b) above and (C) take any and all other actions as may be reasonably necessary or advisable to enable each such Electing Holder, agent, if any, and underwriter, if any, to consummate the disposition in such jurisdictions of such Registrable Securities during the period the Resale Registration is required to remain effective under Section 2(b) above; PROVIDED, HOWEVER, that the Company shall not be required for any such purpose to (1) qualify as a foreign corporation in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(d)(xii), or (2) consent to general service of process in any such jurisdiction;

(xiii) use all reasonable efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to effect the Resale Registration or the offering or sale in connection therewith or to enable the selling holder or holders to offer, or to consummate the disposition of, their Registrable Securities;

(xiv) provide a CUSIP number for all Registrable Securities, not later than the applicable Effective Time;

(xv) enter into one or more underwriting agreements, engagement letters, agency agreements, "best efforts" underwriting agreements or similar agreements, as appropriate, including customary provisions relating to indemnification and contribution, and take such other actions in connection therewith as any Electing Holders aggregating at least 25% in aggregate principal amount of the Registrable Securities at the time outstanding shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(xvi) whether or not an agreement of the type referred to in Section 3(d)(xv) hereof is entered into and whether or not any portion of the offering contemplated by the Resale Registration is an underwritten offering or is made through a placement or sales agent or any other entity, (A) make such representations and warranties to the Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, of the Registrable Securities in form, substance and scope as are customarily made in connection with an offering of debt securities pursuant to any appropriate and customary agreement or to a registration statement filed on the form applicable to the Resale Registration; (B) obtain an opinion of counsel to the Company in customary form and covering such matters, of the type customarily covered by such an opinion, as the managing underwriters, if any, or as any Electing Holders of at least 25% in aggregate principal amount of the Registrable Securities at the time outstanding may reasonably request, addressed to such Electing Holder or Electing Holders and the placement or sales agent, if any, therefor and the underwriters, if any, of the Registrable Securities and dated the effective date of such Resale Registration Statement (and if such Resale Registration Statement contemplates an underwritten offering of a part or all of the Registrable Securities, dated the date of the closing under the underwriting agreement relating thereto) (it being agreed that the matters to be covered by such opinion shall be similar to those set forth in Exhibits A and B of the Purchase Agreement), such opinion to be subject to customary qualifications and limitations; (C) obtain a "cold comfort" letter or letters from the independent certified public accountants of the Company addressed to the selling Electing Holders, the placement or sales agent, if any, therefor or the underwriters, if any, thereof, dated (i) the effective date of such Resale Registration Statement and (ii) the effective date of any prospectus supplement to the prospectus included in such Resale Registration Statement or amendment to such Resale Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus (and, if such Resale Registration Statement contemplates an underwritten offering pursuant to any prospectus supplement to the prospectus included in such Resale Registration Statement or amendment to such Resale Registration Statement which includes unaudited or audited financial statements as of a date or for a period subsequent to that of the latest such statements included in such prospectus, dated the date of the closing under the underwriting agreement relating thereto), such letter or letters to be in customary form and covering matters of the type customarily covered by letters of such type; (D) deliver such documents and certificates, including



officers' certificates, as may be reasonably requested by any Electing Holders of at least 25% in aggregate principal amount of the Registrable Securities at the time outstanding or the placement or sales agent, if any, therefor and the managing underwriters, if any, of the Registrable Securities to evidence the accuracy of the representations and warranties made pursuant to clause (A) above or those contained in Section 5(a) hereof and the compliance with or satisfaction of any agreements or conditions contained in the underwriting agreement or other agreement entered into by the Company; and (E) undertake such obligations relating to expense reimbursement, indemnification and contribution as are provided in Section 6 hereof;

(xvii) notify in writing each holder of Registrable Securities of any proposal by the Company to amend or waive any provision of this Exchange and Registration Rights Agreement pursuant to Section 9(i) hereof and of any amendment or waiver effected pursuant thereto, each of which notices shall contain the text of the amendment or waiver proposed or effected, as the case may be;

(xviii) in the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Rules of Fair Practice and the By-Laws of the National Association of Securities Dealers, Inc. ("NASD") or any successor thereto, as amended from time to time) thereof, whether as a holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such broker-dealer in complying with the requirements of such Rules and By-Laws, including by (A) if such Rules or By-Laws shall so require, engaging a "qualified independent underwriter" (as defined in Rule 2720 (or any successor thereto)) to participate in the preparation of the Resale Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Resale Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Registrable Securities, (B) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof (or to such other customary extent as may be requested by such underwriter) and (C) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules of Fair Practice of the NASD;

(xix) comply with all applicable rules and regulations of the Commission, and make generally available to the Company's securityholders as soon as practicable but in any event not later than eighteen months after the effective date of such Resale Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158 thereunder and any applicable

Commission interpretation regarding information reporting by a consolidated subsidiary of a reporting company);

(e) In the event that the Company would be required, pursuant to Section 3(d)(viii)(F) above, to notify the Electing Holders, the placement or sales agent, if any, therefor and the managing underwriters, if any, of the Registrable Securities, the Company shall promptly prepare and furnish to each of the Electing Holders, to each placement or sales agent, if any, and to each such underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registrable Securities, such prospectus shall conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each Electing Holder agrees that upon receipt of any notice from the Company pursuant to Section 3(d)(viii)(F) hereof, such Electing Holder shall forthwith discontinue the disposition of Registrable Securities pursuant to the Resale Registration Statement applicable to such Registrable Securities until such Electing Holder shall have received copies of such amended or supplemented prospectus, and if so directed by the Company, such Electing Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Electing Holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice.

(f) In the event of a Resale Registration, in addition to the information required to be provided by each Electing Holder in its Notice and Questionnaire, the Company may require such Electing Holder to furnish to the Company such additional information regarding such Electing Holder and such Electing Holder's intended method of distribution of Registrable Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act or state securities or blue sky laws. Each such Electing Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Electing Holder to the Company or of the occurrence of any event in either case as a result of which any prospectus relating to such Resale Registration contains or would contain an untrue statement of a material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Electing Holder or such Electing Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly to furnish to the Company any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Electing Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each Electing Holder further agrees that in the event the amount of Registrable Securities that are beneficially owned by such Electing Holder and

are registered pursuant to such Resale Registration is reduced due to a sale of such Registrable Securities under such Resale Registration, such Electing Holder shall deliver to the Company and the Trustee, at the time of such sale, a Notice of Transfer.

(g) Until the earlier of (i) the expiration of two years after the Closing or (ii) such time as the Exchange Offer has been completed or the Resale Registration Statement has become or been declared effective by the Commission, the Company will not, and will not permit any of its "affiliates" (as defined in Rule 144 under the Securities Act) to, resell any of the Securities which constitute "restricted securities" under Rule 144 that have been reacquired by any of them, except for Securities purchased by the Company or any of its affiliates and resold in a transaction registered under the Securities Act.

#### SECTION 4. REGISTRATION EXPENSES.

The Company agrees to bear and to pay or cause to be paid promptly all expenses incident to the Company's performance of or compliance with this Exchange and Registration Rights Agreement, including all Commission and any NASD registration, filing and review fees and expenses including (a) reasonable fees and disbursements of counsel for the placement or sales agent or underwriters, if any, in connection with such registration, filing and review, (b) all fees and expenses in connection with the qualification of the Securities for offering and sale under the State securities and blue sky laws and determination of their eligibility for investment under the laws of such jurisdictions as any managing underwriters or the Electing Holders may reasonably designate, including any reasonable fees and disbursements of counsel for the Electing Holders (subject to the limitations of clause (i) below) or underwriters in connection with such qualification and determination, (c) all expenses relating to the preparation, printing, production, distribution and reproduction of each registration statement required to be filed hereunder, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the expenses of preparing the Securities for delivery and the expenses of printing or producing any underwriting agreements, agreements among underwriters, selling agreements and blue sky or legal investment memoranda and all other documents in connection with the offering, sale or delivery of Securities to be disposed of (including certificates representing the Securities), (d) messenger, telephone and delivery expenses relating to the offering, sale or delivery of Securities and the preparation of documents referred in clause (c) above, (e) fees and expenses of the Trustee under the Indenture, any agent of the Trustee and any counsel for the Trustee, (f) internal expenses (including all salaries and expenses of the Company's officers and employees performing legal or accounting duties), (g) reasonable fees, disbursements and expenses of counsel and independent certified public accountants of the Company (including the expenses of any opinions or "cold comfort" letters required by or incident to such performance and compliance), (h) reasonable fees, disbursements and expenses of any "qualified independent underwriter" engaged pursuant to Section 3(d)(xviii) hereof, (i) fees, disbursements and expenses of one counsel for the Electing Holders retained in connection with a Resale Registration, as selected by the Electing Holders of at least a majority in aggregate principal amount of the Registrable Securities held by Electing Holders (which counsel shall be reasonably satisfactory to the Company) and (j) any fees charged by securities rating services for rating the Securities as required by the Indenture (collectively, the "REGISTRATION EXPENSES"). To the extent that any Registration Expenses are incurred, assumed

or paid by any holder of Registrable Securities or any placement or sales agent therefor or underwriter thereof, the Company shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request therefor (accompanied by receipts, invoices or other documentary evidence, as appropriate). Notwithstanding the foregoing, the holders of the Registrable Securities being registered shall pay all agency fees and commissions and underwriting discounts and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such holders (severally or jointly), other than the counsel and experts specifically referred to above.

#### SECTION 5. REPRESENTATIONS AND WARRANTIES.

The Company represents and warrants to, and agrees with, each Initial Purchaser and each of the holders from time to time of Registrable Securities that:

(a) Each registration statement covering Registrable Securities and each prospectus (including any preliminary or summary prospectus) contained therein or furnished pursuant to Section 3(c) or Section 3(d) hereof and any further amendments or supplements to any such registration statement or prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to holders of Registrable Securities pursuant to Section 3(c)(iii)(F) or Section 3(d)(viii)(F) hereof until (ii) such time as the Company furnishes an amended or supplemented prospectus pursuant to Section 3(c)(iv) or Section 3(e) hereof, each such registration statement, and each prospectus (including any summary prospectus) contained therein or furnished pursuant to Section 3(c) or Section 3(d) hereof, as then amended or supplemented, will conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a holder of Registrable Securities expressly for use therein.

(b) Any documents incorporated by reference in any prospectus referred to in Section 5(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will

omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a holder of Registrable Securities expressly for use therein.

(c) The compliance by the Company with all of the provisions of this Exchange and Registration Rights Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any such subsidiary is bound or to which any of the property or assets of the Company or any such subsidiary is subject, nor will such action result in any violation of the provisions of the certificate of incorporation or by-laws of the Company or any statute or any order, rule or regulation of any United States court or governmental agency or body having jurisdiction over the Company or any such subsidiary or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Exchange and Registration Rights Agreement, except the registration under the Securities Act of the Securities, qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications, if any, as may be required under State securities or blue sky laws in connection with the offering and distribution of the Securities.

(d) This Exchange and Registration Rights Agreement has been duly authorized, executed and delivered by the Company.

#### SECTION 6. INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY. The Company shall, and it hereby agrees to, indemnify and hold harmless each of the holders of Registrable Securities included in an Exchange Offer Registration Statement, each of the Electing Holders of Registrable Securities included in a Resale Registration Statement and each person who participates as a placement or sales agent or as an underwriter in any offering or sale of such Registrable Securities against any losses, claims, damages or liabilities, joint or several, to which such holder, agent or underwriter may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Exchange Offer Registration Statement or Resale Registration Statement, as the case may be, under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any such holder, Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon 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, and the Company shall, and it hereby agrees to, reimburse such holder, such Electing Holder, such agent and such underwriter for any legal or other expenses reasonably incurred by them in connection with

investigating or defending any such action or claim as such expenses are incurred; PROVIDED, HOWEVER, that the Company shall not be liable to any such person in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such person expressly for use therein;

(b) INDEMNIFICATION BY THE HOLDERS AND ANY AGENTS AND UNDERWRITERS. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2(b) hereof and to entering into any underwriting agreement with respect thereto, that it shall have received an undertaking reasonably satisfactory to it from the Electing Holder of such Registrable Securities and from each underwriter named in any such underwriting agreement, severally and not jointly, to (i) indemnify and hold harmless the Company and all other holders of Registrable Securities, against any losses, claims, damages or liabilities to which the Company or such other holders of Registrable Securities may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any Electing Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon 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, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Electing Holder or underwriter expressly for use therein, and (ii) reimburse the Company for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; PROVIDED, HOWEVER, that no such Electing Holder shall be required to undertake liability to any person under this Section 6(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Electing Holder from the sale of such Electing Holder's Registrable Securities pursuant to such registration.

(c) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party under subsection (a) or (b) above of written notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party pursuant to the indemnification provisions of or contemplated by this Section 6, notify such indemnifying party in writing of the commencement of such action; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under the indemnification provisions of or contemplated by Section 6(a) or 6(b) hereof. In case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, such indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably 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, such indemnifying party

shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, which shall not be unreasonably withheld, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) CONTRIBUTION. If for any reason the indemnification provisions contemplated by Section 6(a) or Section 6(b) are unavailable or insufficient to hold harmless an indemnified party 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 fault of the indemnifying party and the indemnified party in connection with the statements or omissions that resulted in such losses, claims, damages or liability, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 6(d) were determined by pro rata allocation (even if the holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 6(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 shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6(d), no holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such holder from the sale of any Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds the amount of any damages which such holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The holders' and any underwriters' obligations in this Section 6(d) to contribute shall be several in proportion to the principal amount of Registrable Securities registered or underwritten, as the case may be, by them 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 officer, director and partner of each holder, agent and underwriter and each person, if any, who controls any holder, agent or underwriter within the meaning of the Securities Act; and the obligations of the holders and any agents or underwriters contemplated by this Section 6 shall be in addition to any liability which the respective holder, agent or underwriter may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his consent, is named in any registration statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Securities Act.

#### SECTION 7. UNDERWRITTEN OFFERINGS.

(a) SELECTION OF UNDERWRITERS. If any of the Registrable Securities covered by the Resale Registration are to be sold pursuant to an underwritten offering, the managing underwriter or underwriters thereof shall be designated by the Company, subject to the consent of Electing Holders holding at least a majority in aggregate principal amount of the Registrable Securities to be included in such offering (which shall not be unreasonably withheld or delayed); PROVIDED that such Electing Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

(b) PARTICIPATION BY HOLDERS. Each holder of Registrable Securities hereby agrees with each other such holder that no such holder may participate in any underwritten offering hereunder unless such holder (i) agrees to sell such holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

#### SECTION 8. RULE 144.

The Company covenants to the holders of Registrable Securities that to the extent they shall be required to do so under the Exchange Act, the Company shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities in connection with that holder's sale pursuant to Rule 144, the Company shall deliver to such holder a written statement as to whether it has complied with such requirements. The Company shall not be required to comply with this Section 8 if the Exchange Offer has been completed.



SECTION 9. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company represents, warrants, covenants and agrees that it has not granted, and shall not grant, registration rights with respect to Registrable Securities or any other securities which would be inconsistent with the terms contained in this Exchange and Registration Rights Agreement.

(b) SPECIFIC PERFORMANCE. The parties hereto acknowledge that there would be no adequate remedy at law if the Company failed to perform any of its obligations hereunder and that the Initial Purchasers and the holders from time to time of the Registrable Securities may be irreparably harmed by any such failure, and accordingly agree that the Initial Purchasers and such holders, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled, to the extent permitted by applicable law, to compel specific performance of the obligations of the Company under this Exchange and Registration Rights Agreement in accordance with the terms and conditions of this Exchange and Registration Rights Agreement, in any court of the United States or any State thereof having jurisdiction.

(c) NOTICES. All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when (i) delivered by hand, if delivered personally or by courier, (ii) transmitted by any standard form of telecommunication upon receipt of a signal confirming receipt or (iii) three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: If to the Company, to 9 West 57th Street, New York, NY 10019 (fax: (212) 413-1922), Attention: Eric J. Bock, Esq., Senior Vice President, Legal and if to a holder, to the address of such holder set forth in the security register or other records of the Company, or to such other address as the Company, or any such holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(d) PARTIES IN INTEREST. All the terms and provisions of this Exchange and Registration Rights Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by, the parties hereto and the holders from time to time of the Registrable Securities and the respective successors and assigns of the parties hereto and such holders. In the event that any transferee of any holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a beneficiary hereof for all purposes and such Registrable Securities shall be held subject to all of the terms of this Exchange and Registration Rights Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by, all of the applicable terms and provisions of this Exchange and Registration Rights Agreement. If the Company shall so request, any such successor, assign or transferee shall agree in writing to acquire and hold the Registrable Securities subject to all of the applicable terms hereof.

(e) SURVIVAL. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Exchange and Registration Rights Agreement or made pursuant hereto 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 holder of Registrable Securities, any director, officer or partner of such holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such holder and the consummation of an Exchange Offer.

(f) GOVERNING LAW. THIS EXCHANGE AND REGISTRATION RIGHTS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

(g) JURISDICTION, VENUE AND SERVICE OF PROCESS. Each of the parties hereto hereby submits to the jurisdiction of any Federal or State court in the City, County and State of New York, or to the courts of its own corporate domicile, in respect of actions brought against it as a defendant, in any legal suit, action or proceeding based on or arising under this Exchange and Registration Rights Agreement and agrees that all claims in respect of such suit or proceeding may be determined in any such court. The Company waives, to the extent permitted by law, the defense of an inconvenient forum or objections to personal jurisdiction with respect to the maintenance of such legal suit, action or proceeding.

(h) HEADINGS. The descriptive headings of the several Sections and paragraphs of this Exchange and Registration Rights Agreement are inserted for convenience only, do not constitute a part of this Exchange and Registration Rights Agreement and shall not affect in any way the meaning or interpretation of this Exchange and Registration Rights Agreement.

(i) ENTIRE AGREEMENT; AMENDMENTS. This Exchange and Registration Rights Agreement and the other writings referred to herein (including the Indenture and the form of Securities) or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. This Exchange and Registration Rights Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Exchange and Registration Rights Agreement may be amended and the observance of any term of this Exchange and Registration Rights Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument duly executed by the Company and the holders of at least a majority in aggregate principal amount of the Registrable Securities at the time outstanding. Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any amendment or waiver effected pursuant to this Section 9(i), whether or not any notice, writing or marking indicating such amendment or waiver appears on such Registrable Securities or is delivered to such holder.

(j) COUNTERPARTS. This agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

Agreed to and accepted as of the date referred to above.

CENDANT CORPORATION

By:

-----  
Name:  
Title:

J.P. MORGAN SECURITIES INC.  
BANC OF AMERICA SECURITIES LLC  
BARCLAYS CAPITAL INC.  
CREDIT LYONNAIS SECURITIES (USA) INC.  
THE ROYAL BANK OF SCOTLAND PLC  
SCOTIA CAPITAL (USA) INC.  
TOKYO-MITSUBISHI INTERNATIONAL PLC  
THE WILLIAMS CAPITAL GROUP, L.P.

By: J.P. Morgan Securities Inc.,  
Acting on behalf of itself and as the  
Representative of the Initial Purchasers

By:

-----  
Name:  
Title:

CENDANT CORPORATION.  
(the "COMPANY")

INSTRUCTION TO DTC PARTICIPANTS

(DATE OF MAILING)

URGENT - IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE]1

The Depository Trust Company ("DTC") has identified you as a DTC Participant through which beneficial interests in the Company's 6 % Notes due 2006 (the "SECURITIES") are held.

The Company is in the process of registering the Securities under the Securities Act of 1933 for resale by the beneficial owners thereof. In order to have their Securities included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

IT IS IMPORTANT THAT BENEFICIAL OWNERS OF THE SECURITIES RECEIVE A COPY OF THE ENCLOSED MATERIALS AS SOON AS POSSIBLE as their rights to have the Securities included in the registration statement as of the date and time such registration statement becomes or is declared effective by the Securities and Exchange Commission depend upon their returning the Notice and Questionnaire by [DEADLINE FOR RESPONSE]. Please forward a copy of the enclosed documents to each beneficial owner that holds interests in the Securities through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact Cendant Corporation, 9 West 57th Street, New York, New York, 10019 (Fax: (212) 413-1922), Attention: Eric J. Bock, Senior Vice President, Law and Secretary.

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1 Not less than 30 calendar days from date of mailing.

CENDANT CORPORATION  
(the "COMPANY")

Notice of Registration Statement  
and  
SELLING SECURITYHOLDER QUESTIONNAIRE

Reference is hereby made to the Exchange and Registration Rights Agreement (the "EXCHANGE AND REGISTRATION RIGHTS AGREEMENT") among the Company and the Initial Purchasers named therein. Pursuant to the Exchange and Registration Rights Agreement, the Company has filed with the United States Securities and Exchange Commission (the "COMMISSION") a registration statement on Form S-3 (the "RESALE REGISTRATION STATEMENT") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "SECURITIES ACT"), of the Company's 6 % Notes due August 15, 2006 (the "SECURITIES"). A copy of the Exchange and Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Exchange and Registration Rights Agreement.

Each beneficial owner of Registrable Securities is entitled to have the Registrable Securities beneficially owned by it included in the Resale Registration Statement. In order to have Registrable Securities included in the Resale Registration Statement as of its Effective Time, this Notice of Registration Statement and Selling Securityholder Questionnaire ("NOTICE AND QUESTIONNAIRE") must be completed, executed and delivered to the Company's counsel at the address set forth herein for receipt ON OR BEFORE [DEADLINE FOR RESPONSE]. Any beneficial owner of Registrable Securities who does not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as a selling securityholder in the Resale Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Registrable Securities; PROVIDED, HOWEVER, that if any such beneficial owner delivers this Notice and Questionnaire to the Company after such date, the Company shall take any action reasonably necessary to cause such beneficial owner to be named as a selling securityholder in the Resale Registration Statement and to enable such beneficial owner to use the prospectus forming a part thereof for resales of Registrable Securities, in each case, as soon as reasonably practicable after the Effective Time.

Certain legal consequences arise from being named as a selling securityholder in the Resale Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Resale Registration Statement and related Prospectus.

## ELECTION

The undersigned holder (the "SELLING SECURITYHOLDER") of Registrable Securities hereby elects to include in the Resale Registration Statement the Registrable Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire and the Exchange and Registration Rights Agreement, including Section 6 of the Exchange and Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Registrable Securities pursuant to the Resale Registration Statement, the Selling Securityholder will be required to deliver to the Company and Trustee the Notice of Transfer set forth as Exhibit B to the Exchange and Registration Rights Agreement.

The Selling Securityholder hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

(1) (a) Full Legal Name of Selling Securityholder:

(b) Full Legal Name of Registered Holder (if not the same as in (a) above) of Registrable Securities Listed in Item (3) below:

(c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Registrable Securities Listed in Item (3) below are Held:

(2) Address for Notices to Selling Securityholder:

Telephone: -----

Fax: -----

Contact Person: -----

(3) Beneficial Ownership of Securities:

EXCEPT AS SET FORTH BELOW IN THIS ITEM (3), THE UNDERSIGNED DOES NOT BENEFICIALLY OWN ANY SECURITIES.

(a) Principal amount of Registrable Securities beneficially owned:

CUSIP No(s). of such Registrable Securities:

(b) Principal amount of Securities other than Registrable Securities beneficially owned:

CUSIP No(s). of such other Securities:

(c) Principal amount of Registrable Securities which the undersigned wishes to be included in the Shelf Registration Statement:

CUSIP No(s). of such Registrable Securities to be included in the Shelf Registration Statement:

(4) Relationships with the Company:

EXCEPT AS SET FORTH BELOW, NEITHER THE SELLING SECURITYHOLDER NOR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS OR PRINCIPAL EQUITY HOLDERS (5% OR MORE) HAS HELD ANY POSITION OR OFFICE OR HAS HAD ANY OTHER MATERIAL RELATIONSHIP WITH THE COMPANY (OR ANY OF ITS PREDECESSORS OR AFFILIATES) DURING THE PAST THREE YEARS.

State any exceptions here:

(5) Plan of Distribution:

EXCEPT AS SET FORTH BELOW, THE UNDERSIGNED SELLING SECURITYHOLDER INTENDS TO DISTRIBUTE THE REGISTRABLE SECURITIES LISTED ABOVE IN ITEM (3) ONLY AS FOLLOWS (IF AT ALL): SUCH REGISTRABLE SECURITIES MAY BE SOLD FROM TIME TO TIME DIRECTLY BY THE UNDERSIGNED SELLING SECURITYHOLDER OR, ALTERNATIVELY, THROUGH UNDERWRITERS, BROKER-DEALERS OR AGENTS. SUCH REGISTRABLE SECURITIES MAY BE SOLD IN ONE OR MORE TRANSACTIONS AT FIXED PRICES, AT PREVAILING MARKET PRICES AT THE TIME OF SALE, AT VARYING PRICES DETERMINED AT THE TIME OF SALE, OR AT NEGOTIATED PRICES. SUCH SALES MAY BE EFFECTED IN TRANSACTIONS (WHICH MAY INVOLVE CROSSES OR BLOCK TRANSACTIONS) (i) ON ANY NATIONAL SECURITIES EXCHANGE OR QUOTATION SERVICE ON WHICH THE REGISTERED SECURITIES MAY BE LISTED OR QUOTED AT THE TIME OF SALE, (ii) IN THE OVER-THE-COUNTER MARKET, (iii) IN TRANSACTIONS OTHERWISE THAN ON SUCH EXCHANGES OR SERVICES OR IN THE OVER-THE-COUNTER MARKET, OR (iv) THROUGH THE WRITING OF OPTIONS. IN CONNECTION WITH SALES OF THE REGISTRABLE SECURITIES OR OTHERWISE, TIRE SELLING SECTRORITYHOLDER MAY ENTER INTO HEDGING TRANSACTIONS WITH BROKER-DEALERS, WHICH MAY IN TURN ENGAGE IN SHORT SALES OF THE REGISTRABLE SECURITIES IN THE COURSE OF HEDGING THE POSITIONS THEY ASSUME. THE SELLING SECURITYHOLDER MAY ALSO SELL REGISTRABLE SECURITIES SHORT AND DELIVER REGISTRABLE SECURITIES TO CLOSE OUT SUCH SHORT POSITIONS, OR LOAN OR PLEDGE REGISTRABLE SECURITIES TO BROKER-DEALERS THAT IN TURN MAY SELL SUCH SECURITIES.

State any exceptions here:



(6) Whether you are a corporation or not, the following three questions should be answered. If you are a corporation these questions should also be answered with respect to your officers, directors and holders of 5% or more of your equity securities; if you are a partnership such questions should also be answered with respect to your general partners.

(a) EXCEPT AS SET FORTH BELOW IN THIS ITEM (6)(a), NEITHER THE UNDERSIGNED NOR ANY OF ITS AFFILIATES<sup>2</sup> IS A MEMBER<sup>3</sup> OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (THE "NASD") OR A PERSON ASSOCIATED WITH A MEMBER<sup>2</sup> OF THE NASD.

State any exceptions here:

(b) EXCEPT AS SET FORTH BELOW IN THIS ITEM (6)(b), THE UNDERSIGNED DOES NOT OWN STOCK OR OTHER SECURITIES OF ANY NASD MEMBER NOT PURCHASED IN THE OPEN MARKET.

State any exceptions here:

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<sup>2</sup> NASD Rule 2720 defines the term "AFFILIATE" to mean a company which controls, is controlled by or is under common control with a member. The term affiliate is presumed to include the following:

(i) a company will be presumed to control a member if the company beneficially owns 10 percent or more of the outstanding voting securities of a member which is a corporation, or beneficially owns a partnership interest in 10 percent or more of the distributable profits or losses of a member which is a partnership;

(ii) a member will be presumed to control a company if the member and persons associated with the member beneficially own 10 percent or more of the outstanding voting securities of a company which is a corporation, or beneficially own a partnership interest in 10 percent or more of the distributable profits or losses of a company which is a partnership;

(iii) a company will be presumed to be under common control with a member if:

(1) the same natural person or company controls both the member and company by beneficially owning 10 percent or more of the outstanding voting securities of a member or company which is a corporation, or by beneficially owning a partnership interest in 10 percent or more of the distributable profits or losses of a member or company which is a partnership; or

(2) a person having the power to direct or cause the direction of the management or policies of the member or the company also has the power to direct or cause the direction of the management or policies of the other entity in question.

<sup>3</sup> Article I of the NASD's By-Laws defines the term "MEMBER" to mean any broker or dealer admitted to membership in the NASD and defines the term "PERSON ASSOCIATED WITH A MEMBER" to mean every sole proprietor, partner, officer, director or branch manager of any member, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by such member (for example, any employee), whether or not such person is registered or exempt from registration with the NASD.

(c) EXCEPT AS SET FORTH BELOW IN THIS ITEM (6)(c), THE UNDERSIGNED HAS NOT MADE ANY OUTSTANDING SUBORDINATED LOANS TO ANY NASD MEMBER.

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M (which governs manipulation, stabilization and trading activity during a distribution of securities).

In the event that the Selling Securityholder transfers all or any portion of the Registrable Securities listed in Item (3) above after the date on which such information is provided to the Company, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Exchange and Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Resale Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Company and any underwriters in an underwritten offering of such Selling Securityholder's Registrable Securities listed in Item (3) above, in connection with the preparation of the Resale Registration Statement and related Prospectus.

In accordance with the Selling Securityholder's obligation under Sections 3(d) and (f) of the Exchange and Registration Rights Agreement to provide such information as may be required by law for inclusion in the Resale Registration Statement, the Selling Securityholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Resale Registration Statement remains in effect. All notices hereunder and pursuant to the Exchange and Registration Rights Agreement shall be made in writing, by hand-delivery, first-class mail, or air courier guaranteeing overnight delivery as follows:

- (i) Cendant Corporation  
9 West 57th Street  
New York, New York, 10019  
Attention: Eric J. Bock, Senior Vice President, Law and Secretary
  
- (ii) With a copy to:  
  
Skadden, Arps, Slate, Meagher & Flom  
Four Times Square  
New York, New York 10036  
Attention: Vincent J. Pisano, Esq.

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Company's counsel, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Company and the Selling Securityholder (with respect to the Registrable Securities beneficially owned by such Selling Securityholder and listed in Item (3) above). This Agreement shall be governed in all respects by the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: -----

Selling Securityholder  
(Print/type full legal name of beneficial  
owner of Registrable Securities)

By: -----

Name:  
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE COMPANY AT:

Cendant Corporation  
One Campus Drive  
Parsippany, NJ  
Attention: Lynn Feldman

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

Attention: Trust Officer

Re: Cendant Corporation. (the "COMPANY")  
6 % Notes due August 15, 2006

Dear Sirs:

Please be advised that \_\_\_\_\_ has transferred \$\_\_\_\_\_ aggregate principal amount of the above-referenced Notes pursuant to an effective Registration Statement on Form S-3 (File No. 333-\_\_\_\_) filed by the Company.

We hereby certify that the above-named beneficial owner of the Notes is named as a "SELLING HOLDER" in the Prospectus dated, \_\_\_\_\_, 200\_ or in supplements thereto, and that the aggregate principal amount of the Notes transferred are the Notes listed in such Prospectus opposite such owner's name.

Dated:

Very truly yours,

-----  
(Name)

By: -----  
(Authorized Signature)

Cendant Corporation  
9 West 57th Street  
New York, NY 10019

November 2, 2001

Cendant Corporation  
9 West 57th Street  
New York, New York 10019

Re: CENDANT CORPORATION'S REGISTRATION STATEMENT ON FORM S-4  
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Ladies and Gentlemen:

I am the Senior Vice President, Law and Secretary of Cendant Corporation, a Delaware corporation (the "Company"), and am acting as counsel in connection with the public offering of \$850,000,000 aggregate principal amount of the Company's 6 7/8% Notes due 2006 (the "Exchange Notes"). The Exchange Notes are to be issued pursuant to an exchange offer (the "Exchange Offer") in exchange for a like principal amount of the issued and outstanding 6 7/8% Notes due 2006 of the Company (the "Original Notes") under the Indenture, dated as of February 24, 1998 (the "Indenture"), by and between the Company and The Bank of Nova Scotia Trust Company of New York, as trustee (the "Trustee"), as contemplated by the Registration Rights Agreement, dated August 13, 2001 (the "Registration Rights Agreement"), by and among the Company and J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., Credit Lyonnais Securities (USA) Inc., The Royal Bank of Scotland plc, Scotia Capital (USA) Inc., Tokyo-Mitsubishi International plc and The Williams Capital Group, L.P.

This opinion is being furnished 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:

Cendant Corporation  
November 2, 2001

(a) the Registration Statement on Form S-4 relating to the Exchange Notes to be filed with the Securities and Exchange Commission (the "Commission") on the date hereof under the Act (the "Registration Statement");

(b) an executed copy of the Registration Rights Agreement;

(c) an executed copy of the Indenture;

(d) the Amended and Restated Certificate of Incorporation of the Company;

(e) the Amended and Restated By-laws of the Company;

(f) certain resolutions adopted by the Executive Committee of the Board of Directors of the Company relating to the Exchange Offer, the issuance of the Original Notes and the Exchange Notes, the Indenture and related matters;

(g) the Form T-1 of the Trustee to be filed as exhibit to the Registration Statement; and

(h) the form of the Exchange Notes.

I have also examined originals or copies, certified or otherwise identified to my satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I have deemed necessary or appropriate as a basis

for the opinions set forth herein.

In my examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such latter documents. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery of such documents by the parties to such documents, and the validity and

Cendant Corporation  
November 2, 2001

binding effect thereof. As to any facts material to the opinions expressed herein which I did not independently establish or verify, I have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

I am admitted to the bars in the States of New York and New Jersey and do not express any opinion as to the laws of any other jurisdiction.

Based upon and subject to the limitations, qualifications, exceptions and assumptions set forth above, I am of the opinion that when (i) the Registration Statement becomes effective and the Indenture has been qualified under the Trust Indenture Act of 1939, as amended and (ii) the Exchange Notes (in the form that I examined) have been duly executed and authenticated in accordance with the terms of the Indenture and have been delivered upon consummation of the Exchange Offer against receipt of Original Notes surrendered in exchange therefor in accordance with the terms of the Exchange Offer, the Exchange Notes will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent that enforcement thereof may be limited by (1) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (2) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in 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 reference to the use of my name under the caption "Legal Matters" in the prospectus included in the Registration Statement. In giving this consent, I do not thereby admit that I am included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Eric J. Bock

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

## INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Cendant Corporation on Form S-4 of our report dated July 2, 2001 (which expresses an unqualified opinion and includes explanatory paragraphs relating to the change in certain revenue recognition policies regarding the recognition of non-refundable one-time fees and pro rata refundable subscription revenue and the restatement of the financial statements to reflect the individual membership business as part of continuing operations as discussed in Note 1), appearing in the Annual Report on Form 10-K/A of Cendant Corporation for the year ended December 31, 2000 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP  
New York, New York  
October 31, 2001



INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Cendant Corporation on Form S-4 of our report dated January 29, 2001 (March 2, 2001, as to Note 27), appearing in the Annual Report on Form 10-K of Avis Group Holdings, Inc. for the year ended December 31, 2000 and included in the Current Report on Form 8-K of Cendant Corporation dated April 18, 2001.

/s/ Deloitte & Touche LLP  
New York, New York  
October 31, 2001

CONSENT OF KPMG LLP

The Board of Directors  
Galileo International, Inc.

We consent to the incorporation by reference in this registration statement on Form S-4 of Cendant Corporation of our report dated January 26, 2001, except as to Note 15 which is as of February 22, 2001, with respect to the consolidated balance sheets of Galileo International, Inc. and subsidiaries as of December 31, 2000 and 1999 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000, which report appears in the Form 8-K/A of Cendant Corporation dated July 23, 2001.

/s/ KPMG LLP  
Chicago, Illinois  
November 1, 2001

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(B)(2) \_\_\_\_\_

THE BANK OF NOVA SCOTIA TRUST COMPANY OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5691211  
(State of Incorporation (I.R.S. employer  
If not a U.S. national bank) Identification number)

One Liberty Plaza 10006  
New York, N.Y. (Zip code)  
(Address of principal Executive office)

-----  
CENDANT CORPORATION  
(Exact name of obligor as specified in its charter)  
DELAWARE  
(State or other jurisdiction of incorporation or organization)  
06-0918165  
(I.R.S. employer identification no.)  
9 West 57th Street  
New York, NY 10019  
(Address of principal executive offices) (Postal Code)  
-----

NOTE SECURITIES

(Title of the indenture securities)

Item 1. GENERAL INFORMATION

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Federal Reserve Bank of New York  
33 Liberty Street  
New York, N. Y. 10045

State of New York Banking Department  
State House, Albany, N.Y.

(b) Whether it is authorized to exercise corporate trust powers.  
The Trustee is authorized to exercise corporate trust powers.

Item 2. AFFILIATION WITH THE OBLIGOR.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the Trustee.

Item 16. LIST OF EXHIBITS.



RC-A) ----- a.  
Noninterest-bearing balances and currency and coin(1).....  
0081 199 1.a. -----  
----- b.  
Interest-bearing balances(2).....  
0071 7 080 1.b. -----  
----- 2.  
Securities: -----  
----- a. Held-  
to-maturity securities (from Schedule RC-B, column A).... 1754 1  
219 2.a. -----  
----- b.  
Available-for-sale securities (from Schedule RC-B, column D)..  
1773 0 2.b. -----  
----- 3.  
Federal funds sold and securities purchases under agreements to  
resell.....  
1350 12 307 3. -----  
----- 4.  
Loans and lease financing receivables (from Schedule RC-C): -----  
----- a. Loans and leases held  
for sale..... 5369 0 4.a. -----  
----- b. Loans and leases, net of  
unearned income..... B528 4.b. -----  
----- c. LESS: Allowance for loan and lease  
loses..... 3123 4.c. -----  
----- d. Loans and leases, net of unearned income and  
allowance (item 4.b minus  
4.c)..... 3529 0 4.d. -----  
----- 5. Trading Assets  
(from Schedule RC-D)..... 3545 0 5. -----  
----- 6. Premises and fixed  
assets (including capitalized leases)..... 2145 2 6. -----  
----- 7. Other real estate owned  
(from Schedule RC-M)..... 2150 0 7. -----  
----- 8. Investments in unconsolidated  
subsidiaries & associated companies (from Schedule RC-  
M)..... 2130 0 8. -----  
----- 9. Customers' liability to this bank  
on acceptances  
outstanding.....  
2155 0 9. -----  
-----  
(1) Includes cash items in process of collection and unposted  
debits. (2) Includes time certificates of deposit not held for  
trading. -----  
----- 10.  
Intangible assets: -----  
----- a. Goodwill.....  
3163 0 10.a. -----  
----- b.  
Other intangible assets (from Schedule RC-M).....  
0426 0 10.b. -----  
----- 11.  
Other assets (from Schedule RC-F).....  
2160 109 11. -----  
----- 12.  
Total Assets (sum of items 1 through 11).....  
2170 20 916 12. -----  
-----  
LIABILITIES -----  
----- 13.  
Deposits: -----  
----- a. In  
domestic offices (sum of totals of columns A & C from Schedule  
RC-E)..... 2200 7 658  
13.a. -----  
----- (1)  
Noninterest-bearing(3)..... 6631 7  
598 13.a(1) -----

Interest-bearing.....	(2)
13.a(2) .....	6636 60
-----	-----
-----	b. Not
applicable .....	-----
-----	14.
Federal funds purchased and securities sold under agreements to repurchase.....	
2800 0 14. ....	-----
-----	15.
Trading liabilities (from Schedule RC-D).....	
3548 0 15. ....	-----
-----	16. Other
borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-	
M).....	-----
3190 0 16. ....	-----
-----	17. Not
applicable .....	-----
-----	18.
Bank's liability on acceptances executed and outstanding.....	
2920 0 18. ....	-----
-----	19.
Subordinated notes and debentures.....	
3200 0 19. ....	-----
-----	20. Other
liabilities (from Schedule RC-G).....	2930
177 20. ....	-----
-----	21. Total
liabilities (sum of items 13 through 20).....	2948
7 835 21. ....	-----
-----	22.
Minority interest in consolidated subsidiaries.....	
3000 0 22. ....	-----
-----	EQUITY
CAPITAL .....	-----
-----	23.
Perpetual preferred stock and related surplus.....	
3838 0 23. ....	-----
-----	24.
Common stock.....	
3230 1 000 24. ....	-----
-----	25.
Surplus (exclude all surplus related to preferred stock).....	
3839 10 030 25. ....	-----
-----	26.
a. Retained earnings.....	
3632 2 051 26.a. ....	-----
-----	b.
Accumulated other comprehensive income(5).....	B530
0 26.b. ....	-----
-----	27. Other
equity capital components(6).....	A130
0 27. ....	-----
-----	28. Total
equity capital (sum of items 23 through 27).....	3210
13 081 28. ....	-----
-----	29. Total
liabilities, minority interest and equity capital (sum of items 21, 22 & 28).....	3300
20 916 29. ....	-----

Memorandum

To be reported with the March Report of Condition.

1. Indicated in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2000..... RCON Number 6724 M.1.

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company

(but not the bank separately)

-----  
3 = Attestation on bank management's assertion on the effective- ness of the bank's internal control over financial reporting by a certified public accounting firm  
-----

4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)  
-----

5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)  
-----

6 = Review of the bank's financial statements by external auditors  
-----

7 = Compilation of the bank's financial statements by external auditors  
-----

8 = Other audit procedures (excluding tax preparation work)  
-----

9 = No external audit work  
-----  
-----

(3) Includes total demand deposits and noninterest-bearing time and savings deposits.

(4) Includes limited-life preferred stock and realted surplus.

(5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.

(6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

LETTER OF TRANSMITTAL  
CENDANT CORPORATION

OFFER FOR ALL OUTSTANDING  
6 7/8% NOTES DUE 2006  
IN EXCHANGE FOR  
6 7/8% NOTES DUE 2006  
WHICH HAVE BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933, AS AMENDED,  
PURSUANT TO THE PROSPECTUS, DATED , 2001

-----  
THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M. NEW YORK CITY TIME, ON  
, 2001, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS MAY BE  
WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.  
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DELIVERY TO: The Bank of Nova Scotia Trust Company of New York, EXCHANGE AGENT

BY HAND BEFORE 4:30 P.M.:  
The Bank of Nova Scotia Trust Company  
of New York  
67 Wall Street, 4th Floor  
New York, NY 10005  
Attention: Exchanges

BY REGISTERED OR CERTIFIED MAIL:  
The Bank of Nova Scotia Trust Company  
of New York  
One Liberty Plaza, 23rd Floor  
New York, NY 10006  
Attention: Exchanges

BY HAND OR OVERNIGHT DELIVERY AFTER  
4:30 P.M. ON THE EXPIRATION DATE:

The Bank of Nova Scotia Trust Company of New York  
67 Wall Street, 4th Floor  
New York, NY 10005  
Attention: Exchanges  
FOR INFORMATION CALL:  
(212) 225-5427

BY FACSIMILE TRANSMISSION  
(FOR ELIGIBLE INSTITUTIONS ONLY):

(212) 635-4165  
Attention: Exchanges  
CONFIRM BY TELEPHONE:  
(212) 225-5427

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR  
TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL  
NOT CONSTITUTE A VALID DELIVERY.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company the aggregate principal amount of Original Notes indicated above. Subject to, and effective upon, the acceptance for exchange of the Original Notes tendered hereby, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to such Original Notes as are being tendered hereby.

The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as the undersigned's true and lawful agent and attorney-in-fact with respect to such tendered Original Notes, with full power of substitution, among other things, to cause the Original Notes to be assigned, transferred and exchanged. The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Original Notes, and to acquire Exchange Notes issuable upon the exchange of such tendered Original Notes, and that, when the same are accepted for exchange, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company. The undersigned hereby further represents that any Exchange Notes acquired in exchange for Original Notes tendered hereby will have been acquired in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is the undersigned, that neither the Holder of such Original Notes nor any such other person is participating in, intends to participate in or has an arrangement or understanding with any person to participate in the distribution of such



Exchange Notes and that neither the Holder of such Original Notes nor any such other person is an "affiliate," as defined in Rule 405 under the Securities Act, of the Company.

The undersigned acknowledges that this Exchange Offer is being made in reliance on interpretations by the staff of the Securities and Exchange Commission (the "SEC"), as set forth in no-action letters issued to third parties, that the Exchange Notes issued pursuant to the Exchange Offer in exchange for the Original Notes may be offered for resale, resold and otherwise transferred by Holders thereof (other than any such Holder that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such Holders' business and such Holders have no arrangement with any person to participate in the distribution of such Exchange Notes. However, the SEC has not considered the Exchange Offer in the context of a no-action letter and there can be no assurance that the staff of the SEC would make a similar determination with respect to the Exchange Offer as in other circumstances. If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes and has no arrangement or understanding to participate in a distribution of Exchange Notes. If any Holder is an affiliate of the Company, is engaged in or intends to engage in or has any arrangement or understanding with respect to the distribution of the Exchange Notes to be acquired pursuant to the Exchange Offer, such Holder (i) could not rely on the applicable interpretations of the staff of the SEC and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. If the undersigned is a broker-dealer that will receive Exchange Notes for its own account in exchange for Original Notes, it represents that the Original Notes to be exchanged for the Exchange Notes were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Original

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Notes tendered hereby. All authority conferred or agreed to be conferred in this Letter and every obligation of the undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. This tender may be withdrawn only in accordance with the procedures set forth in "The Exchange Offer--Withdrawal Rights" section of the Prospectus.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, please deliver the Exchange Notes (and, if applicable, substitute certificates representing Original Notes for any Original Notes not exchanged) in the name of the undersigned or, in the case of a book-entry delivery of Original Notes, please credit the account indicated above maintained at the Book-Entry Transfer Facility. Similarly, unless otherwise indicated under the box entitled "Special Delivery Instructions" below, please send the Exchange Notes (and, if applicable, substitute certificates representing Original Notes for any Original Notes not exchanged) to the undersigned at the address shown above in the box entitled "Description of Original Notes."

THE UNDERSIGNED, BY COMPLETING THE BOX ENTITLED "DESCRIPTION OF ORIGINAL NOTES" ABOVE AND SIGNING THIS LETTER, WILL BE DEEMED TO HAVE TENDERED THE ORIGINAL NOTES AS SET FORTH IN SUCH BOX ABOVE.

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SPECIAL ISSUANCE INSTRUCTIONS  
(SEE INSTRUCTIONS 3 AND 4)

To be completed ONLY if certificates for Original Notes not exchanged and/or Exchange Notes are to be issued in the name of and sent to someone other than the person or persons whose signature(s) appear(s) on this Letter above, or if Original Notes delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

Issue Exchange Notes and/or Original

Notes to:

Name(s) \_\_\_\_\_  
(PLEASE TYPE OR PRINT)

\_\_\_\_\_  
(PLEASE TYPE OR PRINT)

Address \_\_\_\_\_

\_\_\_\_\_  
(ZIP CODE)

(COMPLETE SUBSTITUTE FORM W-9)

/ / Credit unexchanged Original Notes delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below.

\_\_\_\_\_  
(BOOK-ENTRY TRANSFER FACILITY  
ACCOUNT NUMBER, IF APPLICABLE)

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-----  
SPECIAL ISSUANCE INSTRUCTIONS  
(SEE INSTRUCTIONS 3 AND 4)

To be completed ONLY if certificates for Original Notes not exchanged and/or Exchange Notes are to be sent to someone other than the person or persons whose signature(s) appear(s) on this Letter above or to such person or persons at an address other than shown in the box entitled "Description of Original Notes" on this Letter above.

Mail Exchange Notes and/or Original  
Notes to:

Name(s) \_\_\_\_\_  
(PLEASE TYPE OR PRINT)

\_\_\_\_\_  
(PLEASE TYPE OR PRINT)

Address \_\_\_\_\_

\_\_\_\_\_  
(ZIP CODE)

-----  
IMPORTANT: THIS LETTER OR A FACSIMILE HEREOF OR AN AGENT'S MESSAGE IN LIEU THEREOF (TOGETHER WITH THE CERTIFICATES FOR ORIGINAL NOTES OR A BOOK-ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS OR THE NOTICE OF GUARANTEED DELIVERY) MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

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INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER FOR THE  
6 7/8% NOTES DUE 2006 OF CENDANT CORPORATION  
IN EXCHANGE FOR THE  
6 7/8% NOTES DUE 2006 OF CENDANT CORPORATION  
WHICH HAVE BEEN REGISTERED UNDER THE  
SECURITIES ACT OF 1933, AS AMENDED

1. DELIVERY OF THIS LETTER AND NOTES; GUARANTEED DELIVERY PROCEDURES.

This Letter is to be completed by holders of Original Notes either if certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for delivery by book-entry transfer set forth in "The Exchange Offer--Book-Entry Transfer" section of the Prospectus and an Agent's Message is not delivered. Tenders by book-entry transfer may also be made by delivering an Agent's Message in lieu of this Letter. The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to and received by the Exchange Agent and forming a part of a Book-Entry Confirmation, which states that the Book-Entry Transfer Facility has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the Letter of Transmittal and that the Company may enforce the Letter of Transmittal against such participant. Certificates for all physically tendered Original Notes, or Book-Entry

Confirmation, as the case may be, as well as a properly completed and duly executed Letter (or manually signed facsimile hereof or Agent's Message in lieu thereof) and any other documents required by this Letter, must be received by the Exchange Agent at the address set forth herein on or prior to the Expiration Date, or the tendering holder must comply with the guaranteed delivery procedures set forth below. Original Notes tendered hereby must be in denominations of principal amount of \$1,000 and any integral multiple thereof.

Holders whose certificates for Original Notes are not immediately available or who cannot deliver their certificates and all other required documents to the Exchange Agent on or prior to the Expiration Date, or who cannot complete the procedure for book-entry transfer on a timely basis, may tender their Original Notes pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus. Pursuant to such procedures, (i) such tender must be made through an Eligible Institution, (ii) prior to 5:00 P.M., New York City time, on the Expiration Date, the (as defined below) Exchange Agent must receive from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Company (by facsimile transmission, mail or hand delivery), setting forth the name and address of the holder of Original Notes and the amount of Original Notes tendered, stating that the tender is being made thereby and guaranteeing that within three New York Stock Exchange ("NYSE") trading days after the date of execution of the Notice of Guaranteed Delivery, the certificates for all physically tendered Original Notes, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, together with a properly completed and duly executed Letter (or facsimile thereof or Agent's Message in lieu thereof) with any required signature guarantees and any other documents required by this Letter will be deposited by the Eligible Institution with the Exchange Agent, and (iii) the certificates for all physically tendered Original Notes, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, together with a properly completed and duly executed Letter (or facsimile thereof or Agent's Message in lieu thereof) with any required signature guarantees and all other documents required by this Letter, are received by the Exchange Agent within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

The method of delivery of this Letter, the Original Notes and all other required documents is at the election and risk of the tendering holders, but the delivery will be deemed made only when actually received or confirmed by the Exchange Agent. If Original Notes are sent by mail, it is suggested that

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the mailing be registered mail, properly insured, with return receipt requested, made sufficiently in advance of the Expiration Date to permit delivery to the Exchange Agent prior to 5:00 P.M., New York City time, on the Expiration Date.

See "The Exchange Offer" section of the Prospectus.

## 2. PARTIAL TENDERS (NOT APPLICABLE TO NOTEHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER).

If less than all of the Original Notes evidenced by a submitted certificate are to be tendered, the tendering holder(s) should fill in the aggregate principal amount of Original Notes to be tendered in the box above entitled "Description of Original Notes--Principal Amount Tendered." A reissued certificate representing the balance of nontendered Original Notes will be sent to such tendering holder, unless otherwise provided in the appropriate box on this Letter, promptly after the Expiration Date. ALL OF THE ORIGINAL NOTES DELIVERED TO THE EXCHANGE AGENT WILL BE DEEMED TO HAVE BEEN TENDERED UNLESS OTHERWISE INDICATED.

## 3. SIGNATURES ON THIS LETTER; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES.

If this Letter is signed by the registered holder of the Original Notes tendered hereby, the signature must correspond exactly with the name as written on the face of the certificates without any change whatsoever.

If any tendered Original Notes are owned of record by two or more joint owners, all of such owners must sign this Letter.

If any tendered Original Notes are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate copies of this Letter as there are different registrations of certificates.

When this Letter is signed by the registered holder or holders of the Original Notes specified herein and tendered hereby, no endorsements of certificates or separate bond powers are required. If, however, the Exchange Notes are to be issued, or any untendered Original Notes are to be reissued, to

a person other than the registered holder, then endorsements of any certificates transmitted hereby or separate bond powers are required. Signatures on such certificate(s) must be guaranteed by an Eligible Institution.

If this Letter is signed by a person other than the registered holder or holders of any certificate(s) specified herein, such certificate(s) must be endorsed or accompanied by appropriate bond powers, in either case signed exactly as the name or names of the registered holder or holders appear(s) on the certificate(s) and signatures on such certificate(s) must be guaranteed by an Eligible Institution.

If this Letter or any certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

Endorsements on certificates for Original Notes or signatures on bond powers required by this Instruction 3 must be guaranteed by a firm that is a financial institution (including most banks, savings and loan associations and brokerage houses) that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program (each an "Eligible Institution").

Signatures on this Letter need not be guaranteed by an Eligible Institution, provided the Original Notes are tendered: (i) by a registered holder of Original Notes (which term, for purposes of the Exchange Offer, includes any participant in the Book-Entry Transfer Facility system whose name appears on a security position listing as the holder of such Original Notes) who has not completed the

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box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on this Letter, or (ii) for the account of an Eligible Institution.

#### 4. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS.

Tendering holders of Original Notes should indicate in the applicable box the name and address to which Exchange Notes issued pursuant to the Exchange Offer and or substitute certificates evidencing Original Notes not exchanged are to be issued or sent, if different from the name or address of the person signing this Letter. In the case of issuance in a different name, the employer identification or social security number of the person named must also be indicated. Noteholders tendering Original Notes by book-entry transfer may request that Original Notes not exchanged be credited to such account maintained at the Book-Entry Transfer Facility as such noteholder may designate hereon. If no such instructions are given, such Original Notes not exchanged will be returned to the name and address of the person signing this Letter.

#### 5. TAXPAYER IDENTIFICATION NUMBER.

Federal income tax law generally requires that a tendering holder whose Original Notes are accepted for exchange must provide the Company (as payor) with such holder's correct Taxpayer Identification Number ("TIN") on Substitute Form W-9 below, which in the case of a tendering holder who is an individual, is his or her social security number. If the Company is not provided with the current TIN or an adequate basis for an exemption from backup withholding, such tendering holder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, the Exchange Agent may be required to withhold 31% of the amount of any reportable payments made after the exchange to such tendering holder of Exchange Notes. If withholding results in an overpayment of taxes, a refund may be obtained.

Exempt holders of Original Notes (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. See the enclosed Guidelines of Certification of Taxpayer Identification Number on Substitute Form W-9 (the "W-9 Guidelines") for additional instructions.

To prevent backup withholding, each tendering holder of Original Notes must provide its correct TIN by completing the Substitute Form W-9 set forth below, certifying, under penalties of perjury, that the TIN provided is correct (or that such holder is awaiting a TIN) and that (i) the holder is exempt from backup withholding, or (ii) the holder has not been notified by the Internal Revenue Service that such holder is subject to backup withholding as a result of a failure to report all interest or dividends or (iii) the Internal Revenue Service has notified the holder that such holder is no longer subject to backup withholding. If the tendering holder of Original Notes is a nonresident alien or foreign entity not subject to backup withholding, such holder must give the Exchange Agent a completed Form W-8, Certificate of Foreign Status. These forms

may be obtained from the Exchange Agent. If the Original Notes are in more than one name or are not in the name of the actual owner, such holder should consult the W-9 Guidelines for information on which TIN to report. If such holder does not have a TIN, such holder should consult the W-9 Guidelines for instructions on applying for a TIN, check the box in Part 2 of the Substitute Form W-9 and write "applied for" in lieu of its TIN. Note: Checking this box and writing "applied for" on the form means that such holder has already applied for a TIN or that such holder intends to apply for one in the near future. If the box in Part 2 of the Substitute Form W-9 is checked, the Exchange Agent will retain 31% of reportable payments made to a holder during the sixty (60) day period following the date of the Substitute Form W-9. If the holder furnishes the Exchange Agent with his or her TIN within sixty (60) days of the Substitute Form W-9, the Exchange Agent will remit such amounts retained during such sixty (60) day period to such holder and no further amounts will be retained or withheld from payments made to the holder thereafter. If, however, such holder does not provide its TIN to the Exchange Agent within such sixty (60) day

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period, the Exchange Agent will remit such previously withheld amounts to the Internal Revenue Service as backup withholding and will withhold 31% of all reportable payments to the holder thereafter until such holder furnishes its TIN to the Exchange Agent.

#### 6. TRANSFER TAXES.

The Company will pay all transfer taxes, if any, applicable to the transfer of Original Notes to it or its order pursuant to the Exchange Offer. If, however, Exchange Notes and/or substitute Original Notes not exchanged are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the Original Notes tendered hereby, or if tendered Original Notes are registered in the name of any person other than the person signing this Letter, or if a transfer tax is imposed for any reason other than the transfer of Original Notes to the Company or its order pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted herewith, the amount of such transfer taxes will be billed directly to such tendering holder.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE ORIGINAL NOTES SPECIFIED IN THIS LETTER.

#### 7. WAIVER OF CONDITIONS.

The Company reserves the absolute right to waive satisfaction of any or all conditions enumerated in the Prospectus.

#### 8. NO CONDITIONAL TENDERS.

No alternative, conditional, irregular or contingent tenders will be accepted. All tendering holders of Original Notes, by execution of this Letter, shall waive any right to receive notice of the acceptance of their Original Notes for exchange.

Neither the Company, the Exchange Agent nor any other person is obligated to give notice of any defect or irregularity with respect to any tender of Original Notes nor shall any of them incur any liability for failure to give any such notice.

#### 9. MUTILATED, LOST, STOLEN OR DESTROYED ORIGINAL NOTES.

Any holder whose Original Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions.

#### 10. WITHDRAWAL RIGHTS.

Tenders of Original Notes may be withdrawn at any time prior to 5:00 P.M., New York City time, on the Expiration Date.

For a withdrawal of a tender of Original Notes to be effective, a written notice of withdrawal must be received by the Exchange Agent at the address set forth above prior to 5:00 P.M., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having tendered the Original Notes to be withdrawn (the "Depositor"), (ii) identify the Original Notes to be withdrawn (including certificate number or numbers and the principal amount of such Original Notes), (iii) contain a statement that such holder is withdrawing his election to have such Original Notes exchanged, (iv) be signed by the holder in the same manner as the original signature on the

Letter by which such Original Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer to have the Trustee with respect to the Original Notes register the transfer of such Original Notes in the name of the person withdrawing the tender and (v) specify

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the name in which such Original Notes are registered, if different from that of the Depositor. If Original Notes have been tendered pursuant to the procedure for book-entry transfer set forth in "The Exchange Offer--Book-Entry Transfer" section of the Prospectus, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Original Notes and otherwise comply with the procedures of such facility. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Original Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer and no Exchange Notes will be issued with respect thereto unless the Original Notes so withdrawn are validly retendered. Any Original Notes that have been tendered for exchange but which are not exchanged for any reason will be returned to the Holder thereof without cost to such Holder (or, in the case of Original Notes tendered by book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility pursuant to the book-entry transfer procedures set forth in "The Exchange Offer--Book-Entry Transfer" section of the Prospectus, such Original Notes will be credited to an account maintained with the Book-Entry Transfer Facility for the Original Notes) as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Original Notes may be retendered by following the procedures described above at any time on or prior to 5:00 P.M., New York City time, on the Expiration Date.

11. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.

Questions relating to the procedure for tendering, as well as requests for additional copies of the Prospectus and this Letter, and requests for Notices of Guaranteed Delivery and other related documents may be directed to the Exchange Agent, at the address and telephone number indicated above. All other questions regarding the Exchange Offer should be directed to the following address or phone number:

Cendant Corporation

9 West 57th Street  
New York, New York 10019  
(212) 413-1800  
Attention: Eric J. Bock, Esq.  
Senior Vice President, Law  
and Secretary

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NOTICE OF GUARANTEED DELIVERY  
FOR  
CENDANT CORPORATION

This form or one substantially equivalent hereto must be used to accept the Exchange Offer of Cendant Corporation (the "Company") made pursuant to the Prospectus, dated \_\_\_\_\_, 2001 (the "Prospectus"), if certificates for the outstanding 6 7/8% Notes due 2006 of the Company (the "Original Notes") are not immediately available or if the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach The Bank of Nova Scotia Trust Company of New York, as exchange agent (the "Exchange Agent") prior to 5:00 P.M., New York City time, on the Expiration Date of the Exchange Offer. Such form may be delivered or transmitted by facsimile transmission, mail or hand delivery to the Exchange Agent as set forth below. In addition, in order to utilize the guaranteed delivery procedure to tender Original Notes pursuant to the Exchange Offer, a completed, signed and dated Letter of Transmittal (or facsimile thereof or Agent's Message in lieu thereof) must also be received by the Exchange Agent prior to 5:00 P.M., New York City time, on the Expiration Date. Capitalized terms not defined herein shall have the respective meanings ascribed to them in the Prospectus.

DELIVERY TO: The Bank of Nova Scotia Trust Company of New York, EXCHANGE AGENT

BY HAND BEFORE 4:30 P.M.:  
The Bank of Nova Scotia Trust Company  
of New York  
67 Wall Street, 4th Floor  
New York, NY 10005  
Attention: Exchanges

BY REGISTERED OR CERTIFIED MAIL:  
The Bank of Nova Scotia Trust Company  
of New York  
One Liberty Plaza, 23rd Floor  
New York, NY 10006  
Attention: Exchanges

BY HAND OR OVERNIGHT DELIVERY AFTER  
4:30 P.M. ON THE EXPIRATION DATE:

The Bank of Nova Scotia Trust Company of New York  
67 Wall Street, 4th Floor  
New York, NY 10005  
Attention: Exchanges  
FOR INFORMATION CALL:  
(212) 225-5427

BY FACSIMILE TRANSMISSION  
(FOR ELIGIBLE INSTITUTIONS ONLY):

(212) 635-4165  
Attention: Exchanges  
CONFIRM BY TELEPHONE:  
(212) 225-5427

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF THIS INSTRUMENT VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

Upon the terms and conditions set forth in the Prospectus and the accompanying Letter of Transmittal, the undersigned hereby tenders to the Company the principal amount of Original Notes set forth below pursuant to the guaranteed delivery procedure described in "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus.

Must be signed by the holder(s) of Original Notes as their name(s) appear(s) on certificates for Original Notes or on a security position listing, or by person(s) authorized to become registered holder(s) by endorsement and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below.

Principal Amount of Original Notes  
Tendered:(\*)

Certificate Nos. (if available):

If Original Notes will be delivered by book-entry transfer to The Depository Trust Company, provide account number.

Total Principal Amount Represented by Original Notes Certificate(s):  
\$  
Account Number

PLEASE SIGN HERE

Principal Amount at Maturity of Old Notes Tendered:\*  
Certificate Nos. (if available):

Please Sign Here X  
X  
Signature(s) of Owner(s) or Authorized Signatory

If Old Notes will be delivered by book-entry transfer to the Depository Trust Company, provide account number.

Date

Total Principal Amount at Maturity Represented by Old Notes Certificate(s):  
\$  
Account Number

Area Code and Telephone Number:  
Please Print Name(s) and Address(es)  
Name(s):

Must be in denominations of principal amount at maturity of \$1,000 and any integral multiple thereof.

Capacity:  
Address(es):

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\* Must be in denominations of principal amount of \$1,000 and any integral multiple thereof.

X \_\_\_\_\_

X \_\_\_\_\_

Signature(s) of Owner(s) or Authorized Signatory  
Date  
Area Code and Telephone Number: \_\_\_\_\_

Please Print Name(s) and Address(es)

Name(s):  
Capacity:  
Address(es):

ALL AUTHORITY HEREIN CONFERRED OR AGREED TO BE CONFERRED SHALL SURVIVE THE DEATH OR INCAPACITY OF THE UNDERSIGNED AND EVERY OBLIGATION OF THE UNDERSIGNED HEREUNDER SHALL BE BINDING UPON THE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS OF THE UNDERSIGNED.

GUARANTEE  
(Not to be Used for Signature Guarantees)

The undersigned, a financial institution (including most banks, savings and loan associations and brokerage houses) that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program, hereby guarantees that the certificates representing the principal amount of Original Notes tendered hereby in proper form for transfer, or timely confirmation of the book-entry transfer of such Original Notes into the Exchange Agent's account at The Depository Trust Company pursuant to the procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus, together with one or more properly and duly executed Letters of Transmittal (or facsimile thereof or Agent's Message in lieu thereof) and any required signature guarantee and any other documents required by the Letter of Transmittal, will be received by the Exchange Agent at the address set forth above, no later than three New York Stock Exchange trading days after the Expiration Date.

Name of Firm

Authorized Signature

Address

Title



Zip Code

Name:  
(Please Type of Print)

Area Code and Tel. No.

Dated:

NOTE: DO NOT SEND THE ORIGINAL NOTES WITH THIS FORM. ORIGINAL NOTES SHOULD BE SENT ONLY WITH A COPY OF YOUR PREVIOUSLY EXECUTED LETTER OF TRANSMITTAL.

CENDANT CORPORATION  
 OFFER FOR ALL OUTSTANDING  
 6 7/8% NOTES DUE 2006  
 IN EXCHANGE FOR  
 6 7/8% NOTES DUE 2006  
 WHICH HAVE BEEN REGISTERED UNDER  
 THE SECURITIES ACT OF 1933, AS AMENDED

To Our Clients:

Enclosed for your consideration is a Prospectus, dated \_\_\_\_\_, 2001 (the "Prospectus"), and the related Letter of Transmittal (the "Letter of Transmittal"), relating to the offer (the "Exchange Offer") of Cendant Corporation (the "Company") to exchange its 6 7/8% Notes due 2006, which have been registered under the Securities Act of 1933, as amended (the "Exchange Notes"), for its outstanding 6 7/8% Notes due 2006 (the "Original Notes"), upon the terms and subject to the conditions described in the Prospectus and the Letter of Transmittal. The Exchange Offer is being made in order to satisfy certain obligations of the Company contained in the Registration Rights Agreement dated August 13, 2001, by and among the Company and the initial purchasers referred to therein.

This material is being forwarded to you as the beneficial owner of the Original Notes held by us for your account but not registered in your name. A TENDER OF SUCH ORIGINAL NOTES MAY ONLY BE MADE BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to tender on your behalf the Original Notes held by us for your account, pursuant to the terms and conditions set forth in the enclosed Prospectus and Letter of Transmittal.

Your instructions should be forwarded to us as promptly as possible in order to permit us to tender the Original Notes on your behalf in accordance with the provisions of the Exchange Offer. The Exchange Offer will expire at 5:00 P.M., New York City time, on \_\_\_\_\_, 2001, unless extended by the Company. Any Original Notes tendered pursuant to the Exchange Offer may be withdrawn at any time before the Expiration Date.

Your attention is directed to the following:

1. The Exchange Offer is for any and all Original Notes.
2. The Exchange Offer is subject to certain conditions set forth in the Prospectus in the section captioned "The Exchange Offer--Conditions to the Exchange Offer."
3. Any transfer taxes incident to the transfer of Original Notes from the holder to the Company will be paid by the Company, except as otherwise provided in the Instructions in the Letter of Transmittal.
4. The Exchange Offer expires at 5:00 P.M., New York City time, on \_\_\_\_\_, 2001, unless extended by the Company.

If you wish to have us tender your Original Notes, please so instruct us by completing, executing and returning to us the instruction form on the back of this letter. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR INFORMATION ONLY AND MAY NOT BE USED DIRECTLY BY YOU TO TENDER ORIGINAL NOTES.

INSTRUCTIONS WITH RESPECT TO  
 THE EXCHANGE OFFER

The undersigned acknowledge(s) receipt of your letter and the enclosed material referred to therein relating to the Exchange Offer made by Cendant Corporation with respect to its Original Notes.

This will instruct you to tender the Original Notes held by you for the account of the undersigned, upon and subject to the terms and conditions set forth in the Prospectus and the related Letter of Transmittal.

The undersigned expressly agrees to be bound by the enclosed Letter of Transmittal and that such Letter of Transmittal may be enforced against the undersigned.

Please tender the Original Notes held by you for my account as indicated below:

6 7/8% Notes due 2006 \$

(Aggregate Principal Amount of

Original Notes)

// Please do not tender any Original Notes held by you for my account.

Dated: \_\_\_\_\_, 2001

Signature(s): \_\_\_\_\_

Print Name(s) here: \_\_\_\_\_

Print Address(es): \_\_\_\_\_

Area Code and Telephone Number(s): \_\_\_\_\_

Tax Identification or Social Security Number(s): \_\_\_\_\_

None of the Original Notes held by us for your account will be tendered unless we receive written instructions from you to do so. Unless a specific contrary instruction is given in the space provided, your signature(s) hereon shall constitute an instruction to us to tender all the Original Notes held by us for your account.

CENDANT CORPORATION  
 OFFER FOR ALL OUTSTANDING  
 6 7/8% NOTES DUE 2006  
 IN EXCHANGE FOR  
 6 7/8% NOTES DUE 2006  
 WHICH HAVE BEEN REGISTERED UNDER  
 THE SECURITIES ACT OF 1933, AS AMENDED

To: Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees:

Cendant Corporation is offering, upon and subject to the terms and conditions set forth in the Prospectus, dated \_\_\_\_\_, 2001 (the "Prospectus"), and the enclosed letter of transmittal (the "Letter of Transmittal"), to exchange (the "Exchange Offer") its 6 7/8% Notes due 2006, which have been registered under the Securities Act of 1933, as amended, for its outstanding 6 7/8% Notes due 2006 (the "Original Notes"). The Exchange Offer is being made in order to satisfy certain obligations of the Company contained in the Registration Rights Agreement dated August 13, 2001 by and among the Company and the initial purchasers referred to therein.

We are requesting that you contact your clients for whom you hold Original Notes regarding the Exchange Offer. For your information and for forwarding to your clients for whom you hold Original Notes registered in your name or in the name of your nominee, or who hold Original Notes registered in their own names, we are enclosing the following documents:

1. Prospectus dated \_\_\_\_\_, 2001;
2. The Letter of Transmittal for your use and for the information of your clients;
3. A Notice of Guaranteed Delivery to be used to accept the Exchange Offer if certificates for Original Notes are not immediately available or time will not permit all required documents to reach the Exchange Agent prior to the Expiration Date (as defined below) or if the procedure for book-entry transfer cannot be completed on a timely basis;
4. A form of letter which may be sent to your clients for whose account you hold Original Notes registered in your name or the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Exchange Offer;
5. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and
6. Return envelopes addressed to The Bank of Nova Scotia Trust Company of New York, the Exchange Agent for the Exchange Offer.

YOUR PROMPT ACTION IS REQUESTED. THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON \_\_\_\_\_, 2001, UNLESS EXTENDED BY THE COMPANY (THE "EXPIRATION DATE"). ORIGINAL NOTES TENDERED PURSUANT TO THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME BEFORE THE EXPIRATION DATE.

To participate in the Exchange Offer, a duly executed and properly completed Letter of Transmittal (or facsimile thereof or Agent's Message in lieu thereof), with any required signature guarantees and any other required documents, should be sent to the Exchange Agent and certificates representing the Original Notes should be delivered to the Exchange Agent, all in accordance with the instructions set forth in the Letter of Transmittal and the Prospectus.

If a registered holder of Original Notes desires to tender, but such Original Notes are not immediately available, or time will not permit such holder's Original Notes or other required documents to reach the Exchange Agent before the Expiration Date, or the procedure for book-entry

transfer cannot be completed on a timely basis, a tender may be effected by following the guaranteed delivery procedures described in the Prospectus under the caption "The Exchange Offer--Guaranteed Delivery Procedures."

The Company will, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding the Prospectus and the related documents to the beneficial owners of Original Notes held by them as nominee or in a fiduciary capacity. The Company will pay or cause to be paid all stock transfer taxes applicable to the exchange of Original Notes pursuant to the Exchange Offer, except as set forth in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Exchange Offer, or requests for additional copies of the enclosed materials, should be directed to The Bank of Nova Scotia Trust Company of New York, the Exchange Agent for the Exchange Offer, at its address and telephone number set forth on the front of the Letter of Transmittal.

Very truly yours,  
CENDANT CORPORATION

NOTHING HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF THE COMPANY OR THE EXCHANGE AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF EITHER OF THEM WITH RESPECT TO THE EXCHANGE OFFER, EXCEPT FOR STATEMENTS EXPRESSLY MADE IN THE PROSPECTUS OR THE LETTER OF TRANSMITTAL.

Enclosures