

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

 FORM S-3
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

ITT DESTINATIONS, INC.
 (EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS
 CHARTER)
 NEVADA
 (STATE OF INCORPORATION)
 88-0340591
 (I.R.S. EMPLOYER IDENTIFICATION NO.)
 1330 AVENUE OF THE AMERICAS
 NEW YORK, NY 10019-5490
 (212) 258-1000

 (ADDRESS, INCLUDING ZIP CODE AND TELEPHONE
 NUMBER,
 OF PRINCIPAL EXECUTIVE OFFICES OF BOTH
 REGISTRANTS)

ITT CORPORATION
 (EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS
 CHARTER)
 DELAWARE
 (STATE OF INCORPORATION)
 13-5158950
 (I.R.S. EMPLOYER IDENTIFICATION NO.)
 RICHARD S. WARD, ESQ.
 EXECUTIVE VICE PRESIDENT AND
 GENERAL COUNSEL, ITT CORPORATION
 1330 AVENUE OF THE AMERICAS
 NEW YORK, NY 10019-5490
 (212) 258-1000

 (ADDRESS, INCLUDING ZIP CODE AND TELEPHONE
 NUMBER,
 OF AGENT FOR SERVICE OF BOTH REGISTRANTS)

 Copies to:

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 1330 Avenue of the Americas
 New York, NY 10019-5490

 APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /X/

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

If this form is a post-effective amendment filed pursuant to Rule 462(c) 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. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. /X/

 CALCULATION OF REGISTRATION FEE

| TITLE OF EACH CLASS OF SECURITIES BEING REGISTERED | AMOUNT BEING REGISTERED | PROPOSED MAXIMUM OFFERING PRICE PER UNIT | PROPOSED MAXIMUM AGGREGATE OFFERING PRICE | AMOUNT OF REGISTRATION FEE |
|--|----------------------------|--|---|----------------------------------|
| Debt Securities, Warrants to purchase Debt Securities and Guarantees of Debt Securities..... | \$2,000,000,000(1) | 100% | \$2,000,000,000(2) | \$689,655 |

(1) Or, if any Debt Securities are issued at original issue discount, such greater amount as may result in the initial offering prices for Debt Securities and Warrants aggregating \$2,000,000,000. Any offering of Debt

Securities or Warrants denominated in any foreign currencies or foreign currency units will be treated as the equivalent in U.S. dollars based on the exchange rate applicable to the purchase of such Debt Securities or Warrants from the Registrant.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933.

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 COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

The Registrant issuing the Debt Securities described herein is incorporated under the name ITT Destinations, Inc. Upon consummation of the Distribution (as defined herein), ITT Destinations, Inc. will change its name to ITT Corporation. In order to avoid confusion, the cover page of any prospectus supplement used with this prospectus prior to the Distribution will specify that the foregoing name change will take place on the date of the Distribution. Similarly, the cover page of any prospectus supplement used with this prospectus subsequent to the Distribution will specify that the issuer formerly was named ITT Destinations, Inc.

The Registrant guaranteeing the Debt Securities described herein is incorporated under the name ITT Corporation. Upon consummation of the Distribution, ITT Corporation will change its name (by way of merger) to ITT Industries, Inc. In order to avoid confusion, the cover page of any prospectus supplement used with this prospectus prior to the Distribution will specify that the foregoing name change will take place on the date of the Distribution. In addition, the cover page of such prospectus supplement will prominently indicate that the Guarantees (as defined herein) irrevocably terminate on the date of the Distribution. Similarly, the cover page of any prospectus supplement used with this prospectus subsequent to the Distribution will specify that the issuer (then named ITT Corporation) is a different corporation than ITT Industries, Inc., which formerly was named ITT Corporation, and that ITT Industries, Inc. will have no obligations with respect to the Debt Securities issued by the then named ITT Corporation.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION DATED OCTOBER 16, 1995

PROSPECTUS

ITT DESTINATIONS, INC.

Debt Securities and
Warrants to Purchase Debt Securities
Unconditionally Guaranteed (Which Guarantees Shall
Terminate Upon the Distribution) as to
Payment of Principal, Premium, if any, and Interest by

ITT CORPORATION

ITT Destinations, Inc. ("ITT Destinations") may offer or issue from time to time to or through underwriters, or directly to other purchasers or through agents, in one or more series, its unsecured debt securities ("Debt Securities") and warrants ("Warrants") to purchase Debt Securities (the Debt Securities and the Warrants being herein collectively called the "Securities") for proceeds up to \$2,000,000,000, or the equivalent thereof if any of the Securities are denominated in foreign currency or a foreign currency unit.

All Debt Securities will be unconditionally guaranteed prior to the Distribution (as defined below) as to payment of principal, premium, if any, and interest (the "Guarantees") by ITT Corporation ("ITT"). Upon the consummation of the Distribution, the Guarantees will irrevocably terminate and be of no further force or effect.

The Debt Securities of each series will be offered on terms determined at the time of sale. The Debt Securities and Warrants may be sold for U. S. dollars, foreign currencies or foreign currency units, and the principal of, premium, if any, and any interest on the Debt Securities may be payable in U. S. dollars, foreign currencies or foreign currency units. The specific designation, aggregate principal amount, the currency or currency unit in which the principal, premium, if any, and any interest is payable, the rate (or method of calculation) and the time of payment of any interest, authorized denominations, maturity, offering price, any redemption terms or other specific terms of the Securities in respect of which this Prospectus is being delivered are set forth in the accompanying Prospectus Supplement (the "Prospectus Supplement"). With regard to the Warrants, if any, in respect of which this Prospectus is being delivered, the Prospectus Supplement sets forth a description of the Debt Securities for which each Warrant is exercisable and the offering price, if any, exercise price, duration, detachability and other terms of such Warrant.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Securities may be sold by ITT Destinations directly to purchasers, through agents or dealers designated from time to time, through underwriting syndicates led by one or more managing underwriters or through one or more underwriters. If underwriters or agents are involved in the offering of the Securities, the name of the managing underwriter or underwriters or agents will be set forth in the Prospectus Supplement. If an underwriter, agent or dealer is involved in the offering of any Securities, the underwriter's discount, agent's commission or dealer's purchase price will be set forth in, or may be calculated from, the Prospectus Supplement, and the net proceeds to ITT Destinations from such offering will be the public offering price of the Securities less such discount in the case of an underwriter, the purchase price of the Securities less such commission in the case of an agent or the purchase price of the Securities in the case of a dealer, and less, in each case, the other expenses of ITT Destinations associated with the issuance and distribution of the Securities.

The date of this Prospectus is _____, 1995.

NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT, AND IF GIVEN OR MADE SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ITT DESTINATIONS, ITT OR ANY AGENT, UNDERWRITER OR DEALER. THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES, OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THOSE SECURITIES TO WHICH IT RELATES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. THE DELIVERY OF THIS PROSPECTUS AND/OR THE PROSPECTUS SUPPLEMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by ITT with the Securities and Exchange Commission (the "Commission") (File No. 1-5627) are hereby incorporated by reference in this Prospectus:

- (a) Annual Report on Form 10-K for the year ended December 31, 1994;
- (b) Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 1995;
- (c) Proxy Statement for the Special Meeting of Stockholders on September 21, 1995 (filed with the Commission on August 29, 1995)(the "Proxy"); and
- (d) Current Reports on Form 8-K dated February 6, March 31 and June 8, 1995.

The following document filed by ITT Destinations with the Commission (File No. 1-13960) is hereby incorporated by reference in this Prospectus: Form 10 dated September 18, 1995, with respect to the shares of ITT Destinations common stock (and related ITT Destinations Rights (as defined therein)) to be received by the shareholders of ITT in the Distribution.

All documents filed by ITT Destinations (on or after the effectiveness of its Form 10) and ITT (prior to the Distribution) with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities covered by this Prospectus shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

ITT DESTINATIONS AND ITT WILL PROVIDE, WITHOUT CHARGE, TO EACH PERSON, INCLUDING ANY BENEFICIAL HOLDER, TO WHOM THIS PROSPECTUS IS DELIVERED, UPON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE (OTHER THAN CERTAIN EXHIBITS TO SUCH DOCUMENTS). SUCH REQUESTS SHOULD BE DIRECTED TO ITT DESTINATIONS AND ITT AT THEIR PRINCIPAL EXECUTIVE OFFICES, 1330 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10019-5490, ATTENTION: CORPORATE SECRETARY (TELEPHONE NUMBER: 212-258-1000).

AVAILABLE INFORMATION

ITT is subject to the informational requirements of the 1934 Act, and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information can be inspected and copied at the Public Reference Section of the Commission located at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, DC 20549 and at the following regional offices: Midwest regional office, Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661-2511; and New York regional office, 7 World Trade Center, 13th Floor, New York, NY 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at prescribed rates. Certain securities of ITT are listed on the New York and Pacific Stock Exchanges, and such reports, proxy statements and other information can also be inspected at the offices of such exchanges. This Prospectus does not contain all the information set forth in the Registration Statement and Exhibits thereto which ITT has filed with the Commission under the Securities Act of 1933 and to which reference is hereby made.

ITT Destinations has filed with the Commission a Registration Statement on Form 10 with respect to the shares of ITT Destinations common stock (and related ITT Destinations Rights) to be received by the shareholders of ITT in the Distribution. It is expected that ITT Destinations will request effectiveness of such Registration Statement prior to the Distribution. On and after the effectiveness of such Registration Statement, ITT Destinations will be subject to the informational requirements of the 1934 Act, and in accordance therewith will file reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information will be available for inspection and copying at the public reference facilities of the Commission listed above and may be obtained by mail from the Commission as described above. Application has been made to list the shares of ITT Destinations common stock (and related ITT Destinations Rights) on the New York Stock Exchange ("NYSE") and, if and when such shares of ITT Destinations common stock (and related ITT Destinations Rights) commence trading on the NYSE, such reports, proxy statements and other information will be available for inspection at the offices of the NYSE. Additionally, ITT Destinations intends to provide annual reports, containing audited financial statements, to its shareholders in connection with its annual meetings of shareholders.

ITT DESTINATIONS

ITT Destinations, Inc. is a Nevada corporation, with World Headquarters at 1330 Avenue of the Americas, New York, New York 10019-5490. ITT Destinations, Inc. was incorporated in 1995. Unless the context otherwise requires, references herein to ITT Destinations include its subsidiaries.

Following the Distribution, ITT Destinations will combine the world's largest hotel and gaming company with a premier sports and entertainment company and information services businesses. ITT Destinations will conduct its hospitality and entertainment business through ITT Sheraton Corporation ("ITT Sheraton"), Ciga S.p.A., Caesars World, Inc. ("CWI") and Madison Square Garden, L.P. and conduct its information services business through ITT World Directories, Inc. and ITT Educational Services, Inc.. In addition, ITT Destinations will own approximately 6% of the outstanding capital shares of Alcatel Alsthom, a French company which owns, among other things, Alcatel N.V., one of the largest telecommunications equipment manufacturers in the world.

ITT

ITT Corporation is a Delaware corporation, with World Headquarters at 1330 Avenue of the Americas, New York, New York 10019-5490. Until December 31, 1983, the corporation was known as International Telephone and Telegraph Corporation. It is the successor (since 1968) to a Maryland corporation incorporated in 1920. Unless the context otherwise requires, references herein to ITT include its subsidiaries.

ITT is a diversified global enterprise engaged, directly and through its subsidiaries, in three major business areas: Insurance, Industries and Hospitality, Entertainment and Information Services. For financial statement purposes, ITT's Insurance, Hospitality, Entertainment and Information Services businesses are treated by ITT as discontinued operations. See "The Distribution."

THE DISTRIBUTION

At a special meeting of shareholders of ITT held on September 21, 1995, in New York, New York, the shareholders approved a group of separate but related proposals to divide ITT into its three separate areas: (i) Insurance, (ii) Industries and (iii) Hospitality, Entertainment and Information Services.

These proposals provide for the proposed distribution (the "Distribution") to ITT's shareholders of all the shares of common stock of ITT Destinations, which is a wholly owned subsidiary of ITT, and all the shares of common stock of ITT Hartford Group, Inc. ("ITT Hartford"), which is also a wholly owned subsidiary of ITT. The Distribution will separate ITT into three publicly owned companies. In addition, as part of the Distribution, ITT will change its name to ITT Industries, Inc. and ITT Destinations will change its name to ITT Corporation. In connection with the Distribution, ITT (which is now a Delaware corporation) also will reincorporate in Indiana. After the Distribution, ITT Industries will continue to conduct the automotive,

defense and electronics, and fluid technology businesses of ITT. ITT Destinations, renamed ITT Corporation, will continue to conduct the Hospitality, Entertainment and Information Services businesses of ITT. ITT Hartford will continue to conduct the insurance businesses of ITT. In the Distribution, holders of ITT common stock will receive one share of ITT Destinations common stock and one share of ITT Hartford common stock for every one share of ITT common stock held.

The Distribution is subject to various conditions, including (i) receipt of a favorable ruling from the Internal Revenue Service as to certain federal income tax consequences of the Distribution and (ii) all necessary consents of any governmental or regulatory bodies having been obtained. A complete description of the conditions precedent to the Distribution is contained in the Proxy, which is incorporated herein by reference. ITT currently expects the Distribution to occur prior to December 31, 1995; however, there can be no assurance that the Distribution will occur prior to that date or at all.

If the Distribution were not to occur, ITT would remain liable for its obligations with respect to the Debt Securities pursuant to the Guarantees.

USE OF PROCEEDS

Unless otherwise specified in the Prospectus Supplement, the net proceeds from the sale of the Securities will be applied to the repayment of short-term debt or will be added to the general funds of ITT Destinations to be used for general corporate purposes.

ITT DESTINATIONS PRO FORMA RATIO OF EARNINGS TO FIXED CHARGES

| SIX MONTHS ENDED JUNE 30, 1995 | YEAR ENDED DECEMBER 31, | | | | |
|--------------------------------------|-------------------------|------|------|------|------|
| | 1994 | 1993 | 1992 | 1991 | 1990 |
| 1.65 | 1.98 | 3.23 | 1.49 | 1.41 | * |

* Earnings were inadequate to cover total fixed charges by approximately \$8 million.

These computations include ITT Destinations and its subsidiaries, and 50% or less equity companies. For the purpose of these pro forma ratios, "earnings" is determined by adding "fixed charges" (excluding interest capitalized), income taxes, minority common stockholders equity in net income and amortization of interest capitalized to income from continuing operations after eliminating equity in undistributed earnings of companies in which at least 20% but less than 50% equity is owned. For this purpose, "fixed charges" consists of (1) interest on all indebtedness and amortization of debt discount and expense, (2) interest capitalized and (3) an interest factor attributable to rentals.

ITT RATIO OF EARNINGS TO FIXED CHARGES

| SIX MONTHS ENDED JUNE 30, 1995 | YEAR ENDED DECEMBER 31, | | | | |
|--------------------------------------|-------------------------|------|------|------|------|
| | 1994 | 1993 | 1992 | 1991 | 1990 |
| 2.62 | 3.40 | 2.05 | 5.27 | 1.99 | 5.31 |

The ratios of earnings to fixed charges for ITT set forth above reflect the businesses of ITT Destinations and ITT Hartford as discontinued operations for all periods presented. These computations include ITT and its subsidiaries, and 50% or less equity companies. For the purpose of these ratios, "earnings" is determined by adding "fixed charges" (excluding interest capitalized), income taxes, minority common stockholders equity in net income and amortization of interest capitalized to income from continuing operations after eliminating equity in undistributed earnings of companies in which at least 20% but less than 50% equity is owned. For this purpose, "fixed charges" consists of (1) interest on all indebtedness and amortization of debt discount and expense, (2) interest capitalized and (3) an interest factor attributable to rentals.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities will constitute unsecured general obligations of ITT Destinations and will be issued under one of the indentures described below (each an "Indenture"), in each case among ITT Destinations, ITT and a banking institution organized under the laws of the United States of America or of any State thereof (each a "Trustee"). The following summary of certain provisions of the Indentures does not purport to be complete and is qualified in its entirety by reference to the applicable Indenture, a copy of which is filed as an exhibit to the Registration Statement. All article and section references appearing herein are to articles and sections of the applicable Indenture, and all capitalized terms have the meanings specified in the applicable Indenture.

GENERAL

None of the Indentures limits the amount of Debt Securities which may be issued thereunder. Each Indenture provides that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by ITT Destinations and may be denominated in any currency or currency unit designated by ITT Destinations. Except for the limitations on liens, sale and leaseback transactions and consolidation, merger and sale of assets of ITT Destinations and ITT referred to herein, the Indentures and the terms of the Debt Securities do not contain any covenants or other provisions designed to afford holders of any Debt Securities protection in the event of a highly leveraged transaction involving either ITT Destinations or ITT. Reference is made to the Prospectus Supplement which accompanies this Prospectus for the following terms and other information with respect to the Debt Securities being offered thereby: (1) the title of the Debt Securities; (2) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (3) the percentage of their principal amount at which such Debt Securities will be issued; (4) the currency, currencies or currency units for which the Debt Securities may be purchased and the currency, currencies or currency units in which the principal of, premium, if any, and any interest on such Debt Securities may be payable; (5) the date on which such Debt Securities will mature; (6) the rate per annum at which such Debt Securities will bear interest, if any, or the method of determination of such rate; (7) the dates on which such interest, if any, will be payable and the record dates for such payment dates; (8) the Trustee under the Indenture pursuant to which the Debt Securities are to be issued; (9) whether the Debt Securities are to be issued in the form of one or more global securities representing all Debt Securities of that series (each a "Global Security") and, if so, the identity of a depository (the "Depository") for such Global Security or Securities; and (10) any redemption terms or other specific terms.

If any of the Securities are sold for foreign currencies or foreign currency units or if the principal of, premium, if any, or any interest on any series of Debt Securities is payable in foreign currencies or foreign currency units, the restrictions, elections, tax consequences, specific terms and other information with respect to such issue of Securities and such currencies or currency units will be set forth in the Prospectus Supplement relating thereto.

The Debt Securities may be issued in fully registered form without coupons ("Fully Registered Securities"), or in a form registered as to principal only with coupons or in bearer form with coupons. Unless otherwise specified in the Prospectus Supplement, the Debt Securities will be only Fully Registered Securities. In addition, Debt Securities of a series may be issuable in the form of one or more Global Securities, which will be denominated in an amount equal to all or a portion of the aggregate principal amount of such Debt Securities. See "Global Securities." (Sections 3.1., 3.2.)

One or more series of Debt Securities may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate which at the time of issuance is below market rates. Federal income tax consequences and other special considerations applicable to any such series will be described in the Prospectus Supplement relating thereto.

GUARANTEES

ITT will unconditionally guarantee (prior to the Distribution) the due and punctual payment of the principal, premium, if any, and interest on the Debt Securities when and as the same shall become due and payable, whether at maturity, upon redemption, or otherwise. The Guarantees will rank equally with all other unsecured and unsubordinated obligations of ITT. The Guarantees will irrevocably terminate and be of no

further force or effect upon the completion of the Distribution, subject to certain conditions.(Sections 14.1., 14.2., 14.3.)

CERTAIN COVENANTS OF ITT DESTINATIONS

On and after the Distribution, each Indenture will require ITT Destinations to comply with certain restrictive covenants. None of the Indentures will require ITT Destinations to maintain any Restricted Subsidiaries. Accordingly, if ITT Destinations elects not to maintain any Restricted Subsidiaries, none of the Indentures will provide any limitations on the activity of any ITT Destinations subsidiary. However, each Indenture will contain certain provisions applicable to any companies maintained as Restricted Subsidiaries, and such provisions are described below.

Definitions of Restricted Subsidiary and Unrestricted Subsidiary. The term "Restricted Subsidiary" will be defined in each Indenture to mean any subsidiary other than an Unrestricted Subsidiary; and the term "Unrestricted Subsidiary" will be defined to mean (i) any subsidiary 50% or less of the voting stock of which is owned directly by ITT Destinations and/or one or more Restricted Subsidiaries or (ii) any subsidiary designated as an Unrestricted Subsidiary by the ITT Destinations Board of Directors. A Restricted Subsidiary may at any time be designated as an Unrestricted Subsidiary, and an Unrestricted Subsidiary's designation as such may at any time be rescinded by the ITT Destinations Board of Directors; and any subsidiary may be the subject of a series of such designations and rescissions thereof, without limitation, except that: (i) a subsidiary may not become an Unrestricted Subsidiary if, upon the effectiveness thereof, it would own any capital stock of, or hold any indebtedness of, any Restricted Subsidiary; and (ii) an Unrestricted Subsidiary may not become a Restricted Subsidiary unless such subsidiary has outstanding no lien upon its property which such subsidiary would be prohibited, under the restriction on liens described below, from creating immediately after it becomes a Restricted Subsidiary and, with certain exceptions, such subsidiary is not a party to any lease which it would have been prohibited, under the restriction on sale and lease-back transactions described below, from entering into had it been a Restricted Subsidiary at the time it entered into such lease. (Section 1.1.)

Definition of Consolidated Net Tangible Assets. The term "Consolidated Net Tangible Assets" will be defined in each Indenture to mean the total of all assets appearing on a consolidated balance sheet of ITT Destinations and its Restricted Subsidiaries prepared in accordance with generally accepted accounting principles as of a date not more than 90 days prior to the date as of which Consolidated Net Tangible Assets are to be determined, but excluding (i) the book amount of all segregated intangible assets, (ii) all depreciation, valuation and other reserves, (iii) current liabilities, (iv) any minority interest in the stock and surplus of Restricted Subsidiaries, (v) investments in subsidiaries which are not Restricted Subsidiaries, (vi) deferred income and deferred liabilities, and (vii) other items deductible under generally accepted accounting principles. (Section 1.1.)

The term "Capitalized Lease-Back Obligation" will be defined in each Indenture to mean the total net rental obligations of ITT Destinations or a Restricted Subsidiary under any lease entered into as part of a sale and lease-back transaction involving a Principal Property discounted to present value at the rate of 9% per annum. The term "Principal Property" will be defined in each Indenture to mean any single property owned by ITT Destinations or any Restricted Subsidiary having a gross book value in excess of 2% of Consolidated Net Tangible Assets, except any such property or portion thereof which the ITT Destinations Board of Directors by resolution declares is not of material importance to the total business conducted by ITT Destinations and its Restricted Subsidiaries as an entirety. (Section 1.1.)

Sale and Lease-Back. Each Indenture will provide that neither ITT Destinations nor any Restricted Subsidiary may enter into any sale and lease-back transaction (except for temporary leases of a term of not more than three years and except for leases between ITT Destinations and a Restricted Subsidiary or between Restricted Subsidiaries) involving the leasing by ITT Destinations or any Restricted Subsidiary of any Principal Property, more than 120 days after the acquisition thereof or the completion of construction and commencement of full operation thereof, unless either (i) ITT Destinations applies an amount equal to the greater of the fair value (as determined by the ITT Destinations Board of Directors) of such property or the

net proceeds of such sale, within 120 days, to the retirement of Debt Securities or other indebtedness ranking on a parity with the Debt Securities, or to the acquisition, construction, development or improvement of properties, facilities or equipment used for operating purposes which are, or upon such acquisition, construction, development or improvement will be, a Principal Property or a part thereof, or (ii) at the time of entering into such transaction, such Principal Property could have been subjected to a mortgage securing indebtedness in a principal amount equal to the Capitalized Lease-Back Obligation (as defined) with respect to such Principal Property under clause (m) of the provision for limitations on liens referred to below without securing the Debt Securities as contemplated by that provision. (Section 4.5.)

Liens. Each Indenture will prohibit ITT Destinations and its Restricted Subsidiaries from creating any mortgages or other liens upon any Principal Property (without securing the Debt Securities equally and ratably with all other indebtedness secured thereby), with the following exceptions: (a) mortgages or other liens on any such property acquired, constructed or improved by ITT Destinations or a Restricted Subsidiary to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, or any mortgage or other lien on any such property existing at the time of acquisition thereof; (b) any mortgage or other lien on any property of another company existing at the time it is acquired by merger, consolidation or acquisition of substantially all of its stock or its assets; (c) pledges or deposits to secure payment of workers' compensation or insurance premiums, or relating to tenders, bids, contracts (except contracts for the payment of money) or leases; (d) pledges or liens in connection with tax assessments or other governmental charges, or as security required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or right; (e) pledges or liens to secure a stay of process in proceedings to enforce a contested liability, or required in connection with the institution of legal proceedings or in connection with any other order or decree in any such proceeding or in connection with any contest of any tax or other governmental charge, or deposits with a governmental agency entitling ITT Destinations or a Restricted Subsidiary to maintain self-insurance or to participate in other specified insurance arrangements; (f) mechanics', carriers', workmen's and other like liens; (g) encumbrances in favor of the U. S. Government to secure progress or advance payments; (h) mortgages, pledges or other liens securing any indebtedness incurred to finance the cost of property leased to the U. S. Government at a rental sufficient to pay the principal of and interest on such indebtedness; (i) mortgages or other liens securing indebtedness of a Restricted Subsidiary to ITT Destinations or to a Restricted Subsidiary; (j) mortgages, pledges or other liens affecting property securing indebtedness of a governmental authority issued to finance the cost of a pollution control program with respect to operations of ITT Destinations or a Restricted Subsidiary; (k) renewals, extensions and replacements of any permitted mortgage, lien, deposit or encumbrance, provided the amount secured is not increased; (l) mortgages or other liens on any such property existing on the date of such Indenture; and (m) the creation of any other mortgage, pledge or other lien, if, after giving effect to the creation thereof, the total of (i) the aggregate principal amount of indebtedness of ITT Destinations and its Restricted Subsidiaries secured by all mortgages, pledges or other liens created under the provisions referred to in this clause (m), plus (ii) the aggregate amount of Capitalized Lease-Back Obligations of ITT Destinations and its Restricted Subsidiaries under the entire unexpired terms of all leases entered into in connection with sale and lease-back transactions which would have been precluded by the provision for limitations on such transactions described above, but for the satisfaction of the condition referred to in clause (ii) of the description of such provision, will not exceed an amount equal to 15% of Consolidated Net Tangible Assets (as defined).

The lease of any property and rental obligations thereunder (whether or not involving a sale and lease-back and whether or not capitalized) shall not be deemed to create a lien. The sale or other transfer of (a) timber or other natural resources in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such resources, or (b) any other interest in property of the character commonly referred to as a "production payment", shall not be deemed to create a lien. (Section 4.6.)

Consolidation, Merger or Sale. Each Indenture will permit the consolidation or merger of ITT Destinations with or into any other corporation, or the merger into ITT Destinations of any other corporation, or the sale by ITT Destinations of its property and assets as, or substantially as, an entirety, or otherwise;

provided, however, (a) that, in case of any such consolidation or merger the corporation resulting from such consolidation or any corporation other than ITT Destinations into which such merger shall be made shall succeed to and be substituted for ITT Destinations with the same effect as if it has been named therein as a party thereto and shall become liable and be bound for, and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Debt Securities of each series and the coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of the applicable Indenture on the part of ITT Destinations to be performed or observed, and (b) that, as a condition of any such sale of the property and assets of ITT Destinations as, or substantially as, an entirety, the corporation to which such property and assets shall be sold shall (i) expressly assume, as a part of the purchase price thereof, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Debt Securities of each series and the coupons, if any, appertaining thereto and the performance and observance of all the covenants and conditions of the applicable Indenture on the part of ITT Destinations to be performed or observed, and (ii) simultaneously with the delivery to it of the conveyances or instruments of transfer of such property and assets, execute and deliver to the Trustee a supplemental indenture, in form satisfactory to the Trustee, whereby such purchasing corporation shall so assume the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Debt Securities of each series and the coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of the applicable Indenture on the part of ITT Destinations to be performed or observed, to the same extent that ITT Destinations is bound and liable.

ITT Destinations will not consolidate with any other corporation or accept a merger of any other corporation into ITT Destinations or permit ITT Destinations to be merged into any other corporation, or sell its properties and assets as, or substantially as, an entirety, except upon the terms and conditions set forth in the applicable Indenture. Upon any consolidation or merger, or any sale of the properties and assets of ITT Destinations as, or substantially as, an entirety in accordance with the provisions of the applicable Indenture, the corporation formed by such consolidation or into which ITT Destinations shall have been merged or to which such sale shall have been made shall succeed to and be substituted for ITT Destinations with the same effect as if it had been named therein as a party thereto and thereafter from time to time such successor corporation may exercise each and every right and power of ITT Destinations under each Indenture, in the name of ITT Destinations or in its own name; and any act or proceeding by any provision of the applicable Indenture required or permitted to be done by the Board of Directors or any officer of ITT Destinations may be done with like force and effect by the like board or officer of any corporation that shall at the time be the successor of ITT Destinations thereunder. In the event of the sale by ITT Destinations of its properties and assets as, or substantially as, an entirety upon the terms and conditions of the applicable Indenture, ITT Destinations shall be released from all its liabilities and obligations thereunder and under the Debt Securities. (Section 12.1.)

Each Indenture will provide that ITT may, prior to the completion of the Distribution, assume the obligations of ITT Destinations under such Indenture and the Securities without the consent of the Holders, provided certain conditions are met. Upon such assumption, ITT Destinations will be released from all obligations and covenants under the applicable Indenture and the Securities. (Section 12.4.)

The Trustee, subject to the provisions of the applicable Indenture, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger or sale, and any such assumption, complies with the provisions of the Indenture. (Section 12.3.)

CERTAIN COVENANTS OF ITT

Prior to the Distribution, each Indenture will require ITT and its Domestic Subsidiaries to comply with certain restrictive covenants. None of the Indentures will require ITT to maintain any Domestic Subsidiaries. Accordingly, if ITT elects not to maintain any Domestic Subsidiaries, none of the Indentures will provide any limitations on the activity of any ITT subsidiary. However, each Indenture will contain certain provisions applicable to any companies maintained as Domestic Subsidiaries, and such provisions are described below.

Definition of Domestic Subsidiary. The term "Domestic Subsidiary" will be defined in each Indenture to mean any subsidiary which is neither a Foreign Subsidiary nor an Unrestricted Subsidiary. "Foreign Subsidiary" will be defined to mean any subsidiary substantially all of the operating assets of which are located, or substantially all of the business of which is carried on, outside the United States of America and its territories and possessions, but such term shall not include any subsidiary incorporated under the laws of any state of the United States, substantially all of the assets of which consist of securities of other subsidiaries. (Section 1.1.)

Definitions of Restricted Subsidiary and Unrestricted Subsidiary. In the case of ITT, the term "Restricted Subsidiary" will be defined in each Indenture to mean any subsidiary other than an Unrestricted Subsidiary; and the term "Unrestricted Subsidiary" will be defined to mean (i) any subsidiary 50% or less of the voting stock of which is owned directly by ITT and/or one or more Restricted Subsidiaries, or (ii) any subsidiary designated as an Unrestricted Subsidiary by the ITT Board of Directors. A Restricted Subsidiary may at any time be designated as an Unrestricted Subsidiary, and an Unrestricted Subsidiary's designation as such may at any time be rescinded by the ITT Board of Directors; and any subsidiary may be the subject of a series of such designations and rescissions thereof, without limitation, except that: (i) a subsidiary may not become an Unrestricted Subsidiary if, upon the effectiveness thereof, it would own any capital stock of, or hold any indebtedness of, any Restricted Subsidiary; and (ii) an Unrestricted Subsidiary may not become a Restricted Subsidiary unless such subsidiary has outstanding no lien upon its property which such subsidiary would be prohibited, under the restriction on liens described below, from creating immediately after it becomes a Restricted Subsidiary and, with certain exceptions, such subsidiary is not a party to any lease which it would have been prohibited, under the restriction on sale and lease-back transactions described below, from entering into had it been a Restricted Subsidiary at the time it entered into such lease. (Section 1.1.)

Definition of Consolidated Net Tangible Assets. In the case of ITT, the term "Consolidated Net Tangible Assets" will be defined in each Indenture to mean the total of all assets appearing on a consolidated balance sheet of ITT and its Domestic Subsidiaries prepared in accordance with generally accepted accounting principles as of a date not more than 90 days prior to the date as of which Consolidated Net Tangible Assets are to be determined, but excluding (i) the book amount of all segregated intangible assets, (ii) all depreciation, valuation and other reserves, (iii) current liabilities, (iv) any minority interest in the stock and surplus of Domestic Subsidiaries, (v) investments in subsidiaries which are not Domestic Subsidiaries, (vi) deferred income and deferred liabilities, and (vii) other items deductible under generally accepted accounting principles. (Section 1.1.)

In the case of ITT, the term "Capitalized Lease-Back Obligation" will be defined in each Indenture to mean the total net rental obligations of ITT or a Domestic Subsidiary under any lease entered into as part of a sale and lease-back transaction involving a Principal Property discounted to present value at the rate of 9% per annum. In the case of ITT, the term "Principal Property" will be defined in each Indenture to mean any single manufacturing or processing facility owned by ITT or any Domestic Subsidiary having a gross book value in excess of 2% of Consolidated Net Tangible Assets, except any such facility or portion thereof which the ITT Board of Directors by resolution declares is not of material importance to the total business conducted by ITT and its Domestic Subsidiaries as an entirety. (Section 1.1.)

Sale and Lease-Back. Each Indenture will provide that neither ITT nor any Domestic Subsidiary may enter into any sale and lease-back transaction (except for temporary leases of a term of not more than three years and except for leases between ITT and a Domestic Subsidiary or between Domestic Subsidiaries) involving the leasing by ITT or any Domestic Subsidiary of any Principal Property, more than 120 days after the acquisition thereof or the completion of construction and commencement of full operation thereof, unless either (i) ITT applies an amount equal to the greater of the fair value (as determined by the ITT Board of Directors) of such property or the net proceeds of such sale, within 120 days, to the retirement of Debt Securities or other indebtedness ranking on a parity with the Debt Securities, or to the acquisition, construction, development or improvement of properties, facilities or equipment used for operating purposes which are, or upon such acquisition, construction, development or improvement will be, a Principal Property or a part thereof, or (ii) at the time of entering into such transaction, such Principal Property could have been subjected to a mortgage securing indebtedness in a principal amount equal to the Capitalized Lease-Back

Obligation (as defined) with respect to such Principal Property under clause (1) of the provision for limitations on liens referred to below without securing the Debt Securities as contemplated by that provision. (Section 5.1.)

Liens. Each Indenture will prohibit ITT and its Domestic Subsidiaries from creating any mortgages or other liens upon any Principal Property (without securing the Debt Securities equally and ratably with all other indebtedness secured thereby), with the following exceptions: (a) mortgages or other liens on any such property acquired, constructed or improved by ITT or a Domestic Subsidiary to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, or any mortgage or other lien on any such property existing at the time of acquisition thereof; (b) any mortgage or other lien on any property of another company existing at the time it is acquired by merger, consolidation or acquisition of substantially all of its stock or its assets; (c) pledges or deposits to secure payment of workers' compensation or insurance premiums, or relating to tenders, bids, contracts (except contracts for the payment of money) or leases; (d) pledges or liens in connection with tax assessments or other governmental charges, or as security required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or right; (e) pledges or liens to secure a stay of process in proceedings to enforce a contested liability, or required in connection with the institution of legal proceedings or in connection with any other order or decree in any such proceeding or in connection with any contest of any tax or other governmental charge, or deposits with a governmental agency entitling ITT or a Domestic Subsidiary to maintain self-insurance or to participate in other specified insurance arrangements; (f) mechanics', carriers', workmen's and other like liens; (g) encumbrances in favor of the U. S. Government to secure progress or advance payments; (h) mortgages, pledges or other liens securing any indebtedness incurred to finance the cost of property leased to the U. S. Government at a rental sufficient to pay the principal of and interest on such indebtedness; (i) mortgages or other liens securing indebtedness of a Domestic Subsidiary to ITT or to a Domestic Subsidiary; (j) mortgages, pledges or other liens affecting property securing indebtedness of a governmental authority issued to finance the cost of a pollution control program with respect to operations of ITT or a Domestic Subsidiary; (k) renewals and extensions of any permitted mortgage, lien, deposit or encumbrance, provided the amount secured is not increased; and (l) the creation of any other mortgage, pledge or other lien, if, after giving effect to the creation thereof, the total of (i) the aggregate principal amount of indebtedness of ITT and its Domestic Subsidiaries secured by all mortgages, pledges or other liens created under the provisions referred to in this clause (l), plus (ii) the aggregate amount of Capitalized Lease-Back Obligations of ITT and its Domestic Subsidiaries under the entire unexpired terms of all leases entered into in connection with sale and lease-back transactions which would have been precluded by the provision for limitations on such transactions described above but for the satisfaction of the condition referred to in clause (ii) of the description of such provision, will not exceed an amount equal to 5% of Consolidated Net Tangible Assets (as defined).

The lease of any property and rental obligations thereunder (whether or not involving a sale and lease-back and whether or not capitalized) shall not be deemed to create a lien. The sale or other transfer of (a) timber or other natural resources in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such resources, or (b) any other interest in property of the character commonly referred to as a "production payment", shall not be deemed to create a lien. (Section 5.2.)

Consolidation, Merger or Sale. Each Indenture will permit the consolidation or merger of ITT with or into any other corporation, or the merger into ITT of any other corporation, or the sale by ITT of its property and assets as, or substantially as, an entirety, or otherwise; provided, however, (a) that, in case of any such consolidation or merger the corporation resulting from such consolidation or any corporation other than ITT into which such merger shall be made shall succeed to and be substituted for ITT with the same effect as if it has been named therein as a party thereto and shall become liable and be bound for, and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Debt Securities of each series and the coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of the applicable Indenture on the part of ITT to be performed or observed, and (b) that, as a condition of any

such sale of the property and assets of ITT as, or substantially as, an entirety, the corporation to which such property and assets shall be sold shall (i) expressly assume, as a part of the purchase price thereof, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Debt Securities of each series and the coupons, if any, appertaining thereto and the performance and observance of all the covenants and conditions of the applicable Indenture on the part of ITT to be performed or observed, and (ii) simultaneously with the delivery to it of the conveyances or instruments or transfer of such property and assets, execute and deliver to the Trustee a supplemental indenture, in form satisfactory to the Trustee, whereby such purchasing corporation shall so assume the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Debt Securities of each series and the coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of the applicable Indenture on the part of ITT to be performed or observed, to the same extent that ITT is bound and liable.

ITT will not consolidate with any other corporation or accept a merger of any other corporation into ITT or permit ITT to be merged into any other corporation, or sell its properties and assets as, or substantially as, an entirety, except upon the terms and conditions set forth in the applicable Indenture. Upon any consolidation or merger, or any sale of the properties and assets of ITT as, or substantially as, an entirety in accordance with the provisions of the applicable Indenture, the corporation formed by such consolidation or into which ITT shall have been merged or to which such sale shall have been made shall succeed to and be substituted for ITT with the same effect as if it had been named therein as a party thereto and thereafter from time to time such successor corporation may exercise each and every right and power of ITT under each Indenture, in the name of ITT or in its own name; and any act or proceeding by any provision of the applicable Indenture required or permitted to be done by the Board of Directors or any officer of ITT may be done with like force and effect by the like board or officer of any corporation that shall at the time be the successor of ITT thereunder. In the event of the sale by ITT of its properties and assets as, or substantially as, an entirety upon the terms and conditions of the applicable Indenture, ITT shall be released from all its liabilities and obligations thereunder and with respect to the Debt Securities. (Section 12.2.)

The Trustee, subject to the provisions of the applicable Indenture, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger or sale, and any such assumption, complies with the provisions of the Indenture. (Section 12.3.)

Except for the limitations on liens, sale and leaseback transactions and consolidation, merger and sale of assets of ITT Destinations and ITT referred to above, the Indentures and the terms of the Debt Securities do not contain any covenants or other provisions designed to afford holders of any Debt Securities protection in the event of a highly leveraged transaction involving either ITT Destinations or ITT.

REDEMPTION PURSUANT TO GAMING LAWS

If a holder or beneficial owner of a Debt Security is required by any gaming authority to be licensed or found qualified or suitable to hold or own the Debt Securities and such holder is not licensed or found qualified or suitable within any time specified by such gaming authority or such gaming authority denies a license to or finds unqualified or unsuitable such holder, ITT Destinations will have the right at its option to require such holder to dispose of such holder's Debt Securities within the time period prescribed by ITT Destinations or such other time period as may be prescribed by any gaming authority, which time period shall be specified in a written notice from ITT Destinations. If the holder having been given the opportunity by ITT Destinations to dispose of such Debt Securities fails to do so within the prescribed time period, ITT Destinations will have the right to call for redemption such holder's Debt Securities by notice of redemption to such person. On any such redemption, the redemption price shall be the lesser of (a) the lowest closing sale price of the Debt Securities on any trading day during the 120 day period commencing on the date upon which ITT Destinations shall have received notice from a gaming authority of such holder's disqualification or (b) the price at which such holder acquired the Debt Securities, unless a different redemption price is required by such gaming authority, in which event such required price shall be the redemption price. (Section 16.5.)

MODIFICATION OF INDENTURE

Each applicable Indenture, the rights and obligations of ITT Destinations and ITT thereunder and the rights of the Holders thereunder may be modified with respect to one or more series of Debt Securities issued under such Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Debt Securities of each such series (including Debt Securities of each such series issuable upon exercise of unexpired Warrants) affected by the modification or amendment. No modification of the terms of payment of principal or interest or the Guarantees, and no modification reducing the percentage required for modifications, is effective against any Holder without its consent. For the purpose of these provisions solely, a holder of an unexpired Warrant shall be deemed to be the Holder of the principal amount of Debt Securities issuable upon exercise of such Warrant. (Section 11.2.)

EVENTS OF DEFAULT

Except as may otherwise be set forth in each Prospectus Supplement, each Indenture provides that the following are Events of Default thereunder with respect to any series of Debt Securities issued thereunder: (i) default in the payment of the principal of (or premium, if any, on) any Debt Security of such series when and as the same shall be due and payable; (ii) default in the deposit of a sinking fund payment, if any, when and as the same shall be due and payable by the terms of the Debt Securities of such series; (iii) default for 30 days in the payment of any installment of interest on any Debt Security of such series; (iv) default for 60 days after notice in the performance of any other covenant in respect of the Debt Securities or Guarantees of such series contained in such Indenture; (v) acceleration (after the Distribution) of certain debt instruments of at least \$10,000,000 aggregate principal amount of ITT Destinations, which acceleration shall not have been rescinded or annulled within 30 days after notice; (vi) certain events in bankruptcy, insolvency or reorganization of ITT (prior to the Distribution) or ITT Destinations; (vii) the Guarantee of the Debt Securities ceases to be in full force and effect (other than as a result of the release of such Guarantee upon the Distribution or otherwise in accordance with the terms of the Indenture); or (viii) any other Event of Default provided in the applicable Board Resolution or supplemental indenture under which such series of Debt Securities is issued. (Section 7.1.) An Event of Default with respect to a particular series of Debt Securities issued under an Indenture does not necessarily constitute an Event of Default with respect to any other series of Debt Securities issued under such Indenture. The applicable Trustee may withhold notice to the Holders of any series of Debt Securities of any default with respect to such series (except in the payment of principal or interest) if it considers such withholding in the interests of such Holders. (Section 7.11.)

If an Event of Default with respect to any series of Debt Securities shall have occurred and be continuing, the applicable Trustee or the Holders of not less than 25% in aggregate principal amount of the Debt Securities of such series may declare the principal, or in the case of discounted Debt Securities, such portion thereof as may be described in the Prospectus Supplement accompanying this Prospectus, of all the Debt Securities of such series to be due and payable immediately, provided, however, that, subject to certain conditions, any such declaration and its consequences may be rescinded and annulled by the Holders of not less than a majority in aggregate principal amount of the Debt Securities of such series. (Section 7.1.)

Each Indenture will require the annual filing by ITT Destinations and ITT (prior to the Distribution) with the applicable Trustee of a certificate, signed by a specified officer, stating whether or not such officer has obtained knowledge of any default by ITT or ITT Destinations, as the case may be, in the performance, observance or fulfillment of any condition or covenant of such Indenture, and, if so, specifying each such default and the nature thereof. (Sections 4.7., 5.3.)

Subject to provisions relating to its duties in case of default, a Trustee shall be under no obligation to exercise any of its rights or powers under the applicable Indenture at the request, order or direction of any Holders, unless such Holders shall have offered to such Trustee reasonable indemnity. (Section 8.2.) Subject to such provisions for indemnification, the Holders of a majority in principal amount of the Debt Securities of any series may direct the time, method and place of conducting any proceeding or any remedy available to the appropriate Trustee, or exercising any trust or power conferred upon such Trustee, with respect to the Debt Securities of such series. (Section 7.9.)

PAYMENT AND TRANSFER

Principal of, premium, if any, and interest, if any, on Fully Registered Securities are to be payable at the place or places designated by ITT Destinations for such purposes, provided that payment of interest, if any, may be made at the option of ITT Destinations by check mailed to the persons in whose names such Securities are registered at the close of business on the day or days specified in the Prospectus Supplement accompanying this Prospectus. The principal of, premium, if any, and interest, if any, on Debt Securities in other forms will be payable in such manner and at such place or places as may be designated by ITT Destinations and specified in the applicable Prospectus Supplement. (Sections 3.1., 4.1., 4.2.)

Fully Registered Securities may be transferred or exchanged at the Corporate Trust Office of the Trustee under the applicable Indenture or at any other office or agency maintained by ITT Destinations for such purposes, subject to the limitations contained in the Indenture, without the payment of any service charge except for any tax or governmental charge incidental thereto. Provisions with respect to the transfer and exchange of Debt Securities in other forms will be set forth in the applicable Prospectus Supplement. (Sections 3.1., 3.6.)

GLOBAL SECURITIES

The Debt Securities of a series may be issued in whole or in part in the form of one or more Global Securities that will be deposited with, or on behalf of, the Depository identified in the Prospectus Supplement relating to such series. Unless and until it is exchanged in whole or in part for Debt Securities in definitive form, a Global Security may not be transferred except as a whole to a nominee of the Depository for such Global Security, or by a nominee of such Depository to such Depository, or to a successor of such Depository or a nominee of such successor. (Section 2.4.)

The specific terms of the depository arrangement with respect to any series of Debt Securities and the rights of and limitations on owners of beneficial interests in a Global Security representing all or a portion of a series of Debt Securities will be described in the Prospectus Supplement relating to such series.

DEFERASANCE

Except as may otherwise be provided in the applicable Prospectus Supplement with respect to the Securities of any series (Section 3.1.), each Indenture provides that ITT Destinations and ITT shall be discharged from their obligations with respect to the Securities of a series at any time prior to the Stated Maturity or redemption thereof when (a) ITT Destinations has irrevocably deposited with the Trustee, in trust, (i) sufficient funds in the currency or currency unit in which the Securities are denominated to pay the principal of (and premium, if any), and interest to Stated Maturity (or redemption) on, the Securities of such series, or (ii) such amount of direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the government which issued the currency in which the Securities are denominated, and which are not subject to prepayment, redemption or call, as will, together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay when due the principal of (and premium, if any), and interest to Stated Maturity (or redemption) on, the Securities of such series, and (b) ITT Destinations has paid all other sums payable with respect to the Securities of such series. Upon such discharge, the Holders of the Securities of such series shall no longer be entitled to the benefits of the Indenture, except for the purposes of registration of transfer and exchange of the Securities of such series, and replacement of lost, stolen or mutilated Securities, and shall look only to such deposited funds or obligations for payment. (Sections 13.1., 13.3.)

Under Federal income tax law as of the date of this Prospectus, such deposit and discharge may be treated as an exchange of the related Securities. As a consequence, each Holder of such Securities might be required to recognize gain or loss equal to the difference between the Holder's cost or other tax basis for the Securities and the value of the Holder's interest in the trust. Such Holders thereafter might be required to include in income a different amount than would be includable in the absence of the discharge. Prospective investors are urged to consult their own tax advisers as to the specific consequences of such a deposit and discharge, including the applicability and effect of tax laws other than the Federal income tax law.

CONCERNING THE TRUSTEES

Business and other relationships (including other trusteeships) between ITT Destinations, ITT and their subsidiaries and each Trustee under any Indenture pursuant to which any of the Debt Securities to which the Prospectus Supplement accompanying this Prospectus relates are described in such Prospectus Supplement.

DESCRIPTION OF WARRANTS

The following statements with respect to the Warrants are summaries of, and subject to, the detailed provisions of one or more separate Warrant Agreements (each a "Warrant Agreement"), in each case between ITT Destinations and a banking institution organized under the laws of the United States of America or any State thereof, as Warrant Agent (each a "Warrant Agent"), a form of which will be filed as an exhibit to a Current Report on Form 8-K.

GENERAL

The Warrants, whether evidenced by Warrant Certificates (the "Warrant Certificates") or not so evidenced, may be issued under a Warrant Agreement independently or together with any Debt Securities offered by any Prospectus Supplement and may be attached to or separate from such Debt Securities. If Warrants are offered, the Prospectus Supplement will describe the terms of the Warrants, including the following: (i) the offering price, if any; (ii) the designation, aggregate principal amount, and terms of the Debt Securities purchasable upon exercise of the Warrants; (iii) if applicable, the designation and terms of the Debt Securities with which the Warrants are issued and the number of Warrants issued with each such Debt Security; (iv) if applicable, the date on and after which the Warrants and the related Debt Securities will be separately transferable; (v) the principal amount of Debt Securities purchasable upon exercise of one Warrant and the price at which such principal amount of Debt Securities may be purchased upon such exercise; (vi) the date on which the right to exercise the Warrants shall commence and the date on which such right shall expire; (vii) federal income tax consequences; (viii) whether the Warrants represented by the Warrant Certificates will be issued in registered or bearer form; (ix) whether the Warrants will be issued in certificated or uncertificated form; and (x) any other terms of the Warrants.

Warrant Certificates, if any, may be exchanged for new Warrant Certificates of different denominations and may (if in registered form) be presented for registration of transfer at the corporate trust office of the Warrant Agent or any Co-Warrant Agent, which will be listed in the Prospectus Supplement, or at such other office as may be set forth therein. Warrantholders do not have any of the rights of holders of Debt Securities (except to the extent that the consent of Warrantholders may be required for certain modifications of the terms of the Indenture and the series of Debt Securities issuable upon exercise of the Warrants) and are not entitled to payments of principal, premium, if any, or interest, if any, on such Debt Securities.

EXERCISE OF WARRANTS

Warrants may be exercised by surrendering the Warrant Certificate, if any, at the corporate trust office of the Warrant Agent or at the corporate trust office of the Co-Warrant Agent, if any, with the form of election to purchase on the reverse side of the Warrant Certificate, if any, properly completed and executed, and by payment in full of the exercise price, as set forth in the Prospectus Supplement. Upon exercise of Warrants, the Warrant Agent or Co-Warrant Agent, if any, will, as soon as practicable, deliver the Debt Securities in authorized denominations in accordance with the instructions of the exercising Warrantholder and at the sole cost and risk of such holder. If less than all of the Warrants evidenced by the Warrant Certificate, if any, are exercised, a new Warrant Certificate will be issued, if sufficient time exists prior to the expiration of the exercise period, for the remaining amount of Warrants.

REDEMPTION PURSUANT TO GAMING LAWS

If a holder or beneficial owner of a Warrant is required by any gaming authority to be licensed or found qualified or suitable to hold or own the Warrants and such holder is not licensed or found qualified or suitable within any time specified by such gaming authority or such gaming authority denies a license to or finds unqualified or unsuitable such holder, ITT Destinations will have the right at its option to require such holder to dispose of such holder's Warrants within the time period prescribed by ITT Destinations or such other time period as may be prescribed by any gaming authority, which time period shall be specified in a written notice

from ITT Destinations. If the holder having been given the opportunity by ITT Destinations to dispose of such Warrants fails to do so within the prescribed time period, ITT Destinations will have the right to call for redemption such holder's Warrants by notice of redemption to such person. On any such redemption, the redemption price shall be the lesser of (a) the lowest closing sale price of the Warrants on any trading day during the 120 day period commencing on the date upon which ITT Destinations shall have received notice from a gaming authority of such holder's disqualification or (b) the price at which such holder acquired the Warrants, unless a different redemption price is required by such gaming authority, in which event such required price shall be the redemption price.

CASINO GAMING REGULATION

ITT Destination's gaming operations consist of Ceasars Palace in Las Vegas, Ceasars Atlantic City in Atlantic City and Ceasars Tahoe in Stateline, Nevada (each of which was acquired by ITT in January 1995), ITT Sheraton's Desert Inn Resort's Casino in Las Vegas, the Sheraton Casino in Tunica County, Mississippi, and various hotel/casino operations of ITT Sheraton and CWI outside the United States. These gaming operations are subject to extensive regulation, including the following:

NEVADA GAMING REGULATION

The ownership and/or operation of casino gaming facilities in Nevada are subject to state and local regulation. Nevada's casino gaming laws, regulations and supervisory procedures are extensive and reflect certain broad declarations of public policy. In general, Nevada's gaming laws, regulations and supervisory procedures seek to (i) prevent unsavory or unsuitable persons from having any direct or indirect involvement with gaming at any time or in any capacity, (ii) establish and maintain responsible accounting practices and procedures, (iii) maintain effective control over the financial practices of licensees, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues, providing reliable recordkeeping, and making periodic reports to the applicable casino gaming authority, (iv) prevent cheating and fraudulent practices and (v) provide a source of state and local revenues through taxation and licensing fees.

The Nevada Gaming Commission (the "Nevada Commission") may, in its discretion, require the holder of any debt security of ITT Destinations or any affiliated company of ITT Destinations to file an application, be investigated and found suitable to own such debt security. If the Nevada Commission determines that a person is unsuitable to own such debt security, then pursuant to the Nevada Gaming Control Act (the "Nevada Act"), ITT Destinations and its affiliated Nevada gaming companies, the Sheraton Desert Inn Companies and the Caesars Nevada Companies, can be sanctioned, including the loss of their approvals, if without the prior approval of the Nevada Commission, they: (i) pay to the unsuitable person any dividend, interest or any distribution whatsoever; (ii) recognize any voting right by such unsuitable person in connection with such securities; (iii) pay the unsuitable person remuneration in any form; or (iv) make any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction. See "Description of Debt Securities -- Redemption Pursuant to Gaming Laws".

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Nevada Commission or by the Chairman of the Nevada State Gaming Control Board may be found unsuitable. Any holder of any equity or debt security found unsuitable and who holds, directly or indirectly, any beneficial ownership of ITT Destinations' debt or equity voting securities beyond such period or periods of time as may be prescribed by the Nevada Commission may be guilty of a gross misdemeanor. ITT Destinations could be subject to disciplinary action if, without the prior approval of the Nevada Commission and after ITT Destinations receives notice that a person is unsuitable to be an equity or debt security holder or to have any other relationship with ITT Destinations, ITT Sheraton, Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, CWI, Ceasars Palace Corporation or Desert Palace, Inc. or any one of them either (i) pays to the unsuitable person any dividend, interest or any distribution whatsoever, (ii) recognizes any voting right by such unsuitable person in connection with such securities, (iii) pays the unsuitable person remuneration in any form, (iv) makes any payment to the unsuitable person by way of principal, redemption,

conversion, exchange, liquidation or similar transaction or (v) fails to pursue all lawful efforts to require such unsuitable person to relinquish his securities including, if necessary, the immediate purchase of such securities for cash at fair market value.

NEW JERSEY GAMING REGULATION

Casino gaming in New Jersey is subject to strict compliance with the New Jersey Casino Control Act (the "New Jersey Act"), the strict supervision of the New Jersey Gaming Commission (the "New Jersey Commission") and compliance with the regulations adopted by the New Jersey Commission. The New Jersey gaming laws and regulations primarily concern (a) the financial stability and character of casino operators, their employees, their security holders and others financially interested in casino operations, and (b) the operating methods -- including the rules of the games and credit issuance procedures -- and the financial and accounting procedures used in connection with casino operations. The New Jersey gaming laws and regulations include detailed provisions concerning, among other things, (i) the type, manner and number of applications and licenses required to conduct casino gaming and ancillary activities, (ii) the licensing, regulation and curricula of gaming schools, (iii) the establishment of minimum standards of accounting and internal control, including the issuance and enforceability of casino credit, (iv) the manufacture, sale, distribution and possession of gaming equipment, (v) the rules of the games, (vi) the exclusion of undesirable persons, (vii) the use, regulation and reporting of junket activities, (viii) the possession, sale and distribution of alcoholic beverages, (ix) the regulation and licensing of suppliers to licensed casino operators, (x) the conduct of entertainment within licensed casino facilities, (xi) equal employment opportunity for employees of licensed casino operators, contractors for casino facilities and the like, (xii) the payment of gross revenue taxes and similar fees and expenses, (xiii) the conduct of casino simulcasting and (xiv) the imposition and discharge of casino reinvestment development obligations. A number of these regulations require practices which are different from those in many casinos elsewhere. As a prerequisite to being licensed, a New Jersey casino/hotel facility must meet certain facilities requirements concerning, among other things, the size and number of guest rooms.

CWI's casino gaming operations in Atlantic City, New Jersey are conducted by Boardwalk Regency Corporation ("BRC"), which is a wholly owned subsidiary of Caesars New Jersey, Inc. ("CNJ"), which, in turn, is a wholly owned subsidiary of CWI, which in turn, will be a wholly owned subsidiary of ITT Sheraton (ITT Sheraton, CWI, CNJ and BRC collectively referred to as the "Caesars New Jersey Companies"). After the Distribution, ITT Sheraton will be a wholly owned subsidiary of ITT Destinations. As a prerequisite to BRC holding a license, ITT Destinations, ITT Sheraton, CWI and CNJ have to be approved by the New Jersey Commission due to their corporate relationship to BRC. Thus, any debt or equity security holder of ITT Destinations, ITT Sheraton, CWI or CNJ will have to be found qualified. The qualification requirement of any debt or equity security holder of ITT Destinations may be waived based on an express finding by the New Jersey Commission, with the consent of the Director of the New Jersey Division of Gaming Enforcement ("DGE"), that the security holder either (a)(i) is not significantly involved in the activities of BRC, (ii) does not have the ability to control ITT Destinations, ITT Sheraton, CWI, CNJ or BRC and (iii) does not have the ability to elect one or more members of the respective boards of directors of ITT Destinations, ITT Sheraton, CWI, CNJ or BRC, or (b) is an "institutional investor", as such term is defined in the New Jersey Act and regulations; for purposes of the former, the New Jersey Act presumes that any non-"institutional investor" security holder who owns or beneficially holds 5% or more of the equity securities of ITT Destinations has the ability to control ITT Destinations, ITT Sheraton, CWI, CNJ or BRC, unless such presumption is rebutted by clear and convincing evidence.

The New Jersey Act and regulations define an "institutional investor" as (i) any retirement fund administered by a public agency for the exclusive benefit of Federal, state or local public employees, (ii) an investment company registered under the Investment Company Act of 1940, (iii) a collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, (iv) a closed end investment trust, (v) a chartered or licensed life insurance company or property and casualty insurance company, (vi) banking or other licensed or chartered lending institutions, (vii) an investment adviser registered under the Investment Advisers Act of 1940 or (viii) such other persons as the New Jersey

Commission may determine for reasons consistent with the policies of the New Jersey Act. In the absence of a prima facie showing by the Director of the New Jersey DGE that there is any cause to believe that such institutional investor may be found unqualified, upon application and for good cause shown, an institutional investor holding either (a) less than 10% of the equity securities of ITT Destinations or (b) ITT Destinations debt securities constituting less than 20% of the outstanding debt of ITT Destinations and less than 50% of the issue involved shall be granted a waiver of qualification as to such holdings if (i) such securities are those of a publicly traded corporation, (ii) the institutional investor's holdings of such securities were purchased for investment purposes only and (iii) upon request by the New Jersey Commission, the institutional investor files with the New Jersey Commission a certified statement to the effect that the institutional investor had no intention of influencing or affecting the affairs of ITT Destinations, ITT Sheraton, CWI, CNJ or BRC; notwithstanding the foregoing, the institutional investor is permitted to vote on matters put to the vote of the outstanding security holders of ITT Destinations.

If an institutional investor who has been granted a waiver subsequently determines to influence or affect the affairs of ITT Destinations, the institutional investor must provide to the New Jersey Commission not less than 30 days prior notice of such intent and the institutional investor must file with the New Jersey Commission an application for qualification before taking any action that may influence or affect the affairs of ITT Destinations. Notwithstanding the foregoing, the institutional investor is permitted to vote on matters put to the vote of the outstanding security holders of ITT Destinations. If an institutional investor changes its investment intent, or if the New Jersey Commission finds reasonable cause to believe that the institutional investor may be found unqualified, no action other than divestiture shall be taken by such institutional investor with respect to its security holdings until there has been compliance with the interim casino authorization provisions of the New Jersey Act, including the execution of a trust agreement. ITT Destinations, ITT Sheraton, CWI, CNJ and BRC are required to immediately notify the New Jersey Commission and the New Jersey DGE of any information about, or action of, an institutional investor holding its equity or debt securities where such information or action may impact on the eligibility of such institutional investor for a waiver. If the New Jersey Commission finds an institutional investor unqualified or if the New Jersey Commission finds that, by reason of the extent or nature of its holdings, an institutional investor is in the position to exercise a substantial impact on the controlling interests of BRC so that qualification of the institutional investor is necessary to protect the public interest, the New Jersey Act vests in the New Jersey Commission the power to take all necessary action to protect the public interest, including the power to require that the institutional investor submit to qualification and become qualified under the New Jersey Act.

An equity or debt security holder -- including institutional investors -- of ITT Destinations, ITT Sheraton, CWI, CNJ or BRC who is required to be found qualified by the New Jersey Commission must submit an application for qualification within 30 days after being ordered to do so or divest all security holdings within 120 days after the New Jersey Commission determines such qualification is required. The application for qualification must include a trust agreement by which the security holder places its interest in ITT Destinations in trust with a trustee qualified by the New Jersey Commission. If the security holder is ultimately found qualified, the trust agreement is terminated. If the security holder is not found qualified or withdraws its application for qualification prior to a determination on qualification being made, the trustee will be empowered with all rights of ownership pertaining to such security holder's ITT Destinations securities, including all voting rights and the power to sell the securities; in any event, the unqualified security holder will not be entitled to receive in exchange for its ITT Destinations securities an amount in excess of the lower of (i) the actual cost the security holder incurred in acquiring the securities or (ii) the value of such securities calculated as if the investment had been made on the date the trust became operative. By the same token, if the security holder is not found qualified, it is unlawful for the security holder to (i) receive any dividends or interest on such securities, (ii) exercise, directly or through any trustee or nominee, any right conferred by such securities, or (iii) receive any remuneration in any form from ITT Destinations, ITT Sheraton, CWI, CNJ or BRC for services rendered or otherwise.

For a more detailed description of casino gaming regulations see "Business of New ITT After the Distribution -- Governmental Regulation and Related Matters -- Casino Gaming Regulation -- General" in the Proxy.

RELATED PROVISIONS OF THE ITT DESTINATIONS AMENDED AND RESTATED ARTICLES OF INCORPORATION

ITT Destinations' Amended and Restated Articles of Incorporation provide that (i) all securities of ITT Destinations are subject to redemption by ITT Destinations to the extent necessary to prevent the loss, or to secure the reinstatement, of any casino gaming license held by ITT Destinations or any of its subsidiaries in any jurisdiction within or without the United States of America, (ii) all securities of ITT Destinations are held subject to the condition that if a holder thereof is found by a gaming authority in any such jurisdiction to be disqualified or unsuitable pursuant to any gaming law, such holder will be required to dispose of all ITT Destinations securities held by such holder, and (iii) it will be unlawful for any such disqualified person to (A) receive payments of interest or dividends on any ITT Destinations securities, (B) exercise, directly or indirectly, any rights conferred by any ITT Destinations securities or (C) receive any remuneration in any form, for services rendered or otherwise, from the subsidiary that holds the gaming license in such jurisdiction.

PLAN OF DISTRIBUTION

ITT Destinations may sell the Securities (i) through underwriters or dealers; (ii) directly to one or more purchasers; or (iii) through agents. The Prospectus Supplement with respect to the Securities being offered thereby sets forth the terms of the offering of such Securities, including the name or names of any underwriters, the purchase price of such Securities and the proceeds to ITT Destinations from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price, any discounts or concessions allowed or reallocated or paid to dealers, and any securities exchange on which such Securities may be listed. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities of the series offered by the Prospectus Supplement if any of such Securities are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Securities may also be sold directly by ITT Destinations or through agents designated by ITT Destinations from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered is named, and any commissions payable by ITT Destinations to such agent are set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent is acting on a best efforts basis for the period of its appointment.

If so indicated in the Prospectus Supplement, ITT Destinations will authorize agents, underwriters or dealers to solicit offers by certain institutional investors to purchase Securities providing for payment and delivery on a future date specified in the Prospectus Supplement. Institutional investors to which such offers may be made, when authorized, include commercial and savings banks, insurance companies, pension funds, investment companies, education and charitable institutions and such other institutions as may be approved by ITT Destinations. The obligations of any such purchasers pursuant to such delayed delivery and payment arrangements will not be subject to any conditions except that the purchase by an institution of the particular Securities shall not at any time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject. Underwriters will not have any responsibility in respect of the validity of such arrangements or the performance of ITT Destinations or such institutional investors thereunder.

Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters, and any discounts or commissions received by them from ITT Destinations and any profit on the resale of the Securities by them may be deemed to be underwriting discounts and commissions, under the Securities Act of 1933 (the "Act"). Under agreements which may be entered into by ITT Destinations, underwriters, dealers and agents who participate in the distribution of the Securities may be entitled to indemnification by ITT Destinations and, under certain circumstances, by ITT, against certain civil liabilities,

including liabilities under the Act, or to contribution with respect to payments which the underwriters, dealers or agents may be required to make with respect thereof. Underwriters, dealers and agents may engage in transactions with, or perform services for, ITT Destinations, ITT or their respective subsidiaries in the ordinary course of their respective businesses.

LEGAL OPINIONS

The legality of the Securities and the Guarantees offered hereby will be passed upon for ITT Destinations and ITT by Richard S. Ward, Esq., ITT's Executive Vice President and General Counsel, or such other attorney of ITT Destinations or ITT as ITT Destinations and ITT may designate, and for the Underwriters by Cravath, Swaine & Moore, New York, NY, or such other counsel as may be designated. Mr. Ward has an interest in certain securities of ITT. Cravath, Swaine & Moore acts from time to time as legal counsel to ITT and ITT Destinations on various matters, including the Distribution.

EXPERTS

The financial statements and schedules incorporated by reference in this Prospectus and elsewhere in the Registration Statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated herein by reference in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Estimated expenses payable by ITT Destinations in connection with the offering herein described are as follows:

| | |
|--|-------------|
| Printing and engraving..... | \$ 150,000 |
| Trustee's and Warrant Agents' fees and expenses..... | 80,000 |
| Accountants' fees..... | 50,000 |
| Legal fees..... | 75,000 |
| Securities and Exchange Commission registration fee..... | 689,655 |
| Fees and expenses relating to Blue Sky qualifications and legality for investment..... | 30,000 |
| Rating agencies' fees..... | 500,000 |
| Miscellaneous..... | 25,345 |
| | ----- |
| Total..... | \$1,600,000 |
| | ===== |

All amounts are estimated except for the registration fee payable to the Securities and Exchange Commission.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Delaware General Corporation Law provides that ITT may indemnify officers and directors who are parties or threatened to be made parties in actual or threatened lawsuits against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred. Delaware law further provides that a corporation may purchase indemnification insurance, providing for indemnification of officers and directors whether or not the corporation would have the power to indemnify them against such liability under the provisions of Delaware law.

Reference is made to Article 4 of the By-laws of ITT filed with ITT's Form SE dated March 23, 1993 (CTK No. 216228).

Reference is made to the form of indemnification agreement between ITT and each of its directors, filed with ITT's Form SE dated March 28, 1988 (CTK No. 216228).

Any underwriters, dealers or agents who execute any of the underwriting, selling or other distribution agreements referred to in Exhibit 1 to this Registration Statement will agree to indemnify ITT's and ITT Destinations' directors and officers who signed the Registration Statement against certain liabilities which might arise under the Act from information furnished to ITT and ITT Destinations by or on behalf of any such indemnifying party.

Subsection 1 of Section 78.751 of the Nevada Revised Statutes -- Chapter 78 Private Corporations (the "Nevada Law") empowers a 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 the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he 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 his conduct was unlawful.

Subsection 2 of Section 78.551 of the Nevada Law empowers a 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 or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he acted in any of the capacities set forth above, against expenses, including amounts paid in settlement and attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted under similar standards, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought determines that, despite the adjudication of liability, such person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

Section 78.751 further provides that to the extent a director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsection (1) and (2), or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith; that indemnification provided for by Section 78.751 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; that the scope of indemnification shall continue as to directors, officers, employees or agents who have ceased to hold such positions, and to their heirs, executors and administrators; and empowers the corporation to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the corporation would have the power to indemnify him against such liabilities under Section 78.751.

Article Seventh of the Restated Articles of Incorporation of ITT Destinations and Article 4 of the By-laws of ITT Destinations provide for indemnification of its officers and directors, substantially identical in scope to that permitted under Section 78.751 of the Nevada Law. The By-laws provide, pursuant to Subsection 5 of Section 78.751, that the expenses of officers and directors incurred in defending any action, suit or proceeding, whether civil, criminal, administrative or investigative, must be paid by ITT Destinations as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay all amounts so advanced if it is ultimately determined by a court of competent jurisdiction that the officer or director is not entitled to be indemnified by ITT Destinations.

ITT Destinations will enter into indemnification agreements with certain of its directors and officers that require ITT Destinations to indemnify such directors and officers to the fullest extent permitted by applicable provisions of Nevada law, provided that any settlement of a third party action against a director or officer is approved by ITT Destinations, and subject to limitations for actions initiated by the director or officer, penalties paid by insurance, and violations of Section 16(b) of the 1934 Act and similar laws.

ITEM 16. EXHIBITS.

See Exhibit Index elsewhere herein.

ITEM 17. UNDERTAKINGS.

Each of ITT and ITT Destinations (the undersigned registrants) hereby undertakes:

(1) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Act;

(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;

(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 the undertakings set forth in paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by either registrant pursuant to section 13 or section 15(d) of the 1934 Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Act, 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.

(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.

(4) That, for purposes of determining any liability under the Act, each filing of either registrant's annual report pursuant to section 13(a) or section 15(d) of the 1934 Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the 1934 Act) that is incorporated by reference in the registration statement 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.

(5) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrants pursuant to Rule 424(b)(1) or (4) or 497(b) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(6) Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of either registrant pursuant to the provisions described under Item 15 above, or otherwise (but that term shall not extend to the insurance policies referred to in said Item 15), each registrant has been advised that in the opinion of the 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 either 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 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.

(7) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of section 310 of the Trust Indenture Act, as amended ("Trust Indenture Act") in accordance with the rules and regulations prescribed by the Commission under section 305(b)(2) of the Trust Indenture Act.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY AND STATE OF NEW YORK ON THIS 16TH DAY OF OCTOBER, 1995.

ITT DESTINATIONS, INC.

By: /S/ ROBERT A. BOWMAN

Robert A. Bowman
President, Treasurer and Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints RICHARD S. WARD, GWENN L. CARR and WALTER F. DIEHL, JR., and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, 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 or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her 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 BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

| SIGNATURE | TITLE | DATE |
|--|---|------------------|
| ----- | | |
| /S/ ROBERT A. BOWMAN ----- Robert A. Bowman (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) | President, Treasurer, Secretary and Director | October 16, 1995 |

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY AND STATE OF NEW YORK ON THIS 16TH DAY OF OCTOBER, 1995.

ITT CORPORATION

By: /S/ JON F. DANSKI

Jon F. Danski
Senior Vice President and Controller

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints RICHARD S. WARD, GWENN L. CARR and WALTER F. DIEHL, JR., and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, 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 or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her 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 BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

| SIGNATURE | TITLE | DATE |
|--|---|------------------|
| /S/ RAND V. ARASKOG ----- Rand V. Araskog (Principal Executive Officer) | Chairman, President and Chief Executive Officer and Director | October 16, 1995 |
| /S/ ROBERT A. BOWMAN ----- Robert A. Bowman (Principal Financial Officer) | Executive Vice President and Chief Financial Officer | October 16, 1995 |
| /S/ BETTE B. ANDERSON ----- Bette B. Anderson | Director | October 16, 1995 |
| /S/ NOLAN D. ARCHIBALD ----- Nolan D. Archibald | Director | October 16, 1995 |
| /S/ ROBERT A. BURNETT ----- Robert A. Burnett | Director | October 16, 1995 |
| /S/ MICHEL DAVID-WEILL ----- Michel David-Weill | Director | October 16, 1995 |

| SIGNATURE | TITLE | DATE |
|------------------------|----------|------------------|
| /S/ S. PARKER GILBERT | Director | October 16, 1995 |
| S. Parker Gilbert | | |
| /S/ PAUL G. KIRK, JR. | Director | October 16, 1995 |
| Paul G. Kirk, Jr. | | |
| /S/ EDWARD C. MEYER | Director | October 16, 1995 |
| Edward C. Meyer | | |
| /S/ BENJAMIN F. PAYTON | Director | October 16, 1995 |
| Benjamin F. Payton | | |
| /S/ MARGITA E. WHITE | Director | October 16, 1995 |
| Margita E. White | | |

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To ITT Corporation:

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated June 13, 1995 on the consolidated financial statements of ITT Corporation to be renamed ITT Industries, Inc., included in ITT Corporation's Proxy Statement for the Special Meeting of Stockholders on September 21, 1995 and to all references to our firm included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP
Arthur Andersen LLP

New York, N.Y.
October 16, 1995

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CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To ITT Destinations, Inc.:

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated June 13, 1995 on the combined financial statements of ITT Destinations, Inc. included in ITT Corporation's Proxy Statement for the Special Meeting of Stockholders on September 21, 1995 and to all references to our firm included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP
Arthur Andersen LLP

New York, N.Y.
October 16, 1995

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EXHIBIT INDEX

| EXHIBIT NUMBER | DESCRIPTION | LOCATION |
|-------------------|---|---|
| 1 | Form of Underwriting Agreement for dollar denominated Securities to be distributed in the United States. ((i) An Underwriting Agreement relating to securities to be distributed outside the United States or for Securities denominated in foreign currencies or foreign currency units or (ii) any Selling Agency or Distribution Agreement with any Agent will be filed as an exhibit to a Current Report on Form 8-K and incorporated herein by reference)..... | Filed herewith. |
| 2 | Plan of acquisition, reorganization, arrangement, liquidation or succession..... | Not applicable. |
| 4 (a)(i) | Form of Indenture to be dated as of October , 1995, among ITT Destinations, Inc., ITT Corporation and The First National Bank of Chicago, as Trustee, with respect to the Debt Securities..... | Filed herewith. |
| (a)(ii) | Form of Indenture to be dated as of October ,1995, among ITT Destinations Inc., ITT Corporation and one or more banking institutions to be qualified as Trustee pursuant to Section 305(b)(2) of the Trust Indenture Act of 1939..... | Incorporated by reference to Exhibit 4(a)(i) (except for name of Trustee) |
| | The form or forms of such Debt Securities and Guarantees, if any, with respect to each particular offering will be filed as an exhibit to a Current Report on Form 8-K and incorporated herein by reference. | |
| 4 (b) | Form of Warrant Agreement to be entered into by ITT Destinations, Inc. and the Warrant Agent (including form of Warrant Certificate)..... | The form or forms of such Warrants with respect to each particular offering will be filed as an exhibit to a Current Report on Form 8-K and incorporated herein by reference. |
| 5 | Opinion of Richard S. Ward, Esq., on behalf of ITT Destinations, Inc. and ITT Corporation, in respect of the legality of the Securities, including the Guarantees..... | Filed herewith. |
| 12 (a) | Computation of ITT Corporation ratios of earnings to fixed charges for the six months ended June 30, 1995 and for the five years ended December 31, 1994..... | Incorporated by reference to Exhibit 12(a) to ITT Corporation's Quarterly Report on Form 10-Q for the period ended June 30, 1995, File No. 1-5627. |
| 12 (b) | Computation of ITT Destinations, Inc. pro forma ratios of earnings to fixed charges for the six months ended June 30, 1995 and for the five years ended December 31, 1994..... | Incorporated by reference to Exhibit 12(b) to ITT Corporation's Quarterly Report on Form 10-Q for the period ended June 30, 1995, File No. 1-5627. |

| EXHIBIT NUMBER | DESCRIPTION | LOCATION |
|-------------------|--|--|
| 15 | Letter re unaudited interim financial information..... | Not applicable. |
| 23 | Consents of experts and counsel (a) Consent of Arthur Andersen LLP..... (b) Consent of Arthur Andersen LLP..... (c) Consent of counsel..... | Filed herewith. See p. II-7. Filed herewith. See p. II-8. See Exhibit 5 hereto. |
| 24 | Power of attorney..... | Filed herewith. See pgs. II-4, II-5 and II-6. |
| 25 | Form T-1, Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The First National Bank of Chicago, Trustee under an Indenture pursuant to which Debt Securities are to be issued.... | Filed herewith. |
| 26 | Invitations for competitive bids..... | Not applicable. |
| 28P | Information from reports furnished to state insurance regulatory authorities..... | Incorporated by reference to ITT Corporation's Form SE dated March 15, 1995 (CIK No. 216228). |
| 99 | Additional exhibits..... | Not applicable. |

EXHIBIT 1

ITT DESTINATIONS, INC.

DEBT SECURITIES

Underwriting Agreement

October , 1995

To the Representative or
Representatives named in
Schedule A hereto of the
Underwriters named in
Schedule B hereto

Gentlemen:

The undersigned ITT Destinations, Inc., a Nevada corporation (the "Company"), confirms its agreement with the several underwriters named in Schedule B hereto (the "Underwriters"), as set forth below. If the firm or firms named in Schedule B hereto include only the firm or firms named in Schedule A hereto (the "Representatives"), then the terms "Underwriters" and "Representatives", as used herein, shall each be deemed to refer to such firm or firms.

The Company proposes to issue and sell debt securities of the title and amount set forth in Schedule A hereto (the "Securities"), to be issued under the indenture identified in Schedule A hereto (the "Indenture") between the Company, the Guarantor (as defined), if any, and the trustee named therein (the "Trustee"). If so indicated in Schedule A hereto, the Securities shall be guaranteed (the "Guarantees") as to payment of principal, premium (if any) and interest by ITT Corporation, a Delaware corporation (the "Guarantor"), in the manner and with the effect set forth in the Indenture. In the event that any such Guarantees are to be issued, the term "Securities" shall be deemed to include the Guarantees. If so indicated in Schedule A hereto, the Company also proposes to issue warrants (the "Warrants") to purchase the aggregate principal amount indicated in Schedule A hereto of the debt securities identified in Schedule A hereto (the "Warrant Securities") to be issued pursuant to the provisions of the Indenture. The Warrants, if any, are to be issued pursuant to the provisions of the Warrant Agreement identified in Schedule A hereto (the "Warrant Agreement") between the Company and the Warrant Agent named in Schedule A hereto (the "Warrant Agent").

1. Representations and Warranties of the Company. The Company and the Guarantor, if any, represent and warrant to, and jointly and severally agree with, each Underwriter that:

(a) A registration statement on Form S-3 (with the file number set forth in Schedule A hereto), including a prospectus, relating to the Securities has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder, has been filed with the Commission and has become effective. Such registration statement and prospectus may have been amended or supplemented from time to time prior to the date of this Agreement; any such amendment or supplement was so prepared and filed and any such amendment has become effective. A prospectus supplement ("Prospectus Supplement") relating to the Securities, the Warrants, if any, and the Warrant Securities, if any, has been so prepared and will be filed pursuant to Rule 424 under the Act. Copies of such registration statement and prospectus, any such amendment or supplement, the Prospectus Supplement and all documents incorporated by reference therein which were filed with the Commission on or prior to the date of this Agreement (including one conformed copy of the registration statement and of each amendment thereto for each of you and for counsel for the Underwriters) have been delivered to you. Such registration statement and prospectus, as amended or supplemented to the date of this Agreement and as supplemented by the Prospectus Supplement are herein referred to as the "Registration Statement" and the "Prospectus". Any reference herein to the Registration Statement or Prospectus shall be deemed to refer to and include the documents incorporated by reference therein which were filed with the Commission on or prior to the date of this Agreement, and any reference to the terms "amend", "amendment" or "supplement" with respect to the Registration Statement or Prospectus shall be deemed to refer to and include the filing of any document with the Commission deemed to be incorporated by reference therein after the date of this Agreement.

(b) The registration statement, at the time it became effective, any post-effective amendment thereto, at the time it became effective, the Registration Statement and the Prospectus, at the date of this Agreement and at the Closing Date (as hereinafter defined), and any amendment or supplement thereto, conformed or will conform in all material respects to the requirements of the Act, the Trust Indenture Act, and the Rules and Regulations; and no such document included or will include an untrue statement of a material fact or omitted or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; except that the foregoing shall not apply to statements in or omissions from any such document in reliance upon, and in conformity with, written information furnished to the Company by you, or by any Underwriter through you, specifically for use in the preparation thereof.

(c) The documents incorporated by reference in the Registration Statement or Prospectus, when they became effective or were filed with the Commission, as the case may be, under the Securities Exchange Act of 1934 (the "Exchange Act"), conformed, and any documents so filed and incorporated by reference after the date of

this Agreement will, when they are filed with the Commission, conform, in all material respects to the requirements of the Act and the Exchange Act, as applicable, and the Rules and Regulations of the Commission thereunder.

(d) The Indenture, the Warrant Agreement, if any, the Guarantees, if any, the Securities, the Warrants, if any, and the Warrant Securities, if any, have been duly authorized; the Indenture has been duly executed and delivered and duly qualified under the Trust Indenture Act; and the Indenture, the Warrant Agreement, if any, when duly executed and delivered, and the Securities, the Warrants, if any, and the Warrant Securities, if any, when duly executed, authenticated, issued and delivered as contemplated hereby, by the Indenture, by the Delayed Delivery Contracts (as hereinafter defined), if any, and by the Warrant Agreement, if any, constitute, in the case of the Indenture, and will constitute, in all other cases, valid and legally binding obligations of the Company or the Guarantor, as the case may be, in accordance with their respective terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) Except as described in or contemplated by the Registration Statement and the Prospectus, there has not been any material adverse change in, or any adverse development which materially affects, the respective business, properties, financial condition or results of operations of the Company and its subsidiaries taken as a whole or the Guarantor, if any, and its subsidiaries taken as a whole from the dates as of which information is given in the Registration Statement and the Prospectus.

(f) Arthur Andersen LLP, whose reports appear in the Guarantor's Proxy Statement for the Special Meeting of Stockholders of September 21, 1995, which is incorporated in the Prospectus by reference, are, and at the time of the issuance of said report were, independent public accountants as required by the Act and the Rules and Regulations.

(g) Each of the Company, its subsidiaries and the Guarantor, if any, has been duly organized, is validly existing and in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of property or the conduct of its business requires such qualification, and has all power and authority necessary to own or hold its properties and to conduct the business in which it is engaged (subject, in the case of subsidiaries of the Company, and in the case of the Company with reference to such qualification and standing and such power and authority, to exceptions which in the aggregate do not materially adversely affect the business or operations of the Company and its subsidiaries taken as a whole and subject, in the case of the Guarantor, if any, to exceptions which in the aggregate do not materially adversely affect the business or operations of the Guarantor and its subsidiaries taken as a whole).

(h) Except as described in the Prospectus, there is no action, suit or proceeding pending, nor to the knowledge of the General Counsel of the Company, is there any action, suit or proceeding threatened, which might reasonably be expected to result in a material adverse change in the financial condition, results of operations or business of the Company and its subsidiaries taken as a whole or which is required to be disclosed in the Registration Statement.

2. Purchase, Sale and Delivery of Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price set forth in Schedule A hereto, the amount of Securities, and the amount of Warrants, if any, set forth opposite the name of such Underwriter in Schedule B hereto reduced by such Underwriter's portion of any Contract Securities (as hereinafter defined), determined as provided below.

If so authorized in Schedule A hereto, the Underwriters may solicit offers from institutional investors of the types set forth in the Prospectus to purchase Securities and Warrants, if any, from the Company pursuant to delayed delivery contracts ("Delayed Delivery Contracts"). Such contracts shall be substantially in the form of Exhibit I hereto but with such changes therein as the Company may approve. Securities and Warrants, if any, to be purchased pursuant to Delayed Delivery Contracts are herein called "Contract Securities". When Delayed Delivery Contracts are authorized in Schedule A, the Company will enter into a Delayed Delivery Contract in each case where a sale of Contract Securities arranged through you has been approved by the Company but, except as the Company may otherwise agree, such Delayed Delivery Contracts must be for at least the minimum amount of Contract Securities set forth in Schedule A hereto, and the aggregate amount of Contract Securities may not exceed the amount set forth in such Schedule. The Company will advise you not later than 10:00 a.m., New York City time, on the second full business day preceding the Closing Date (or at such later time as you may otherwise agree) of sales of the Contract Securities which have been so approved. You and the other Underwriters will not have any responsibility in respect of the validity or performance of Delayed Delivery Contracts.

The amount of Securities and Warrants, if any, to be purchased by each Underwriter as set forth in Schedule B hereto shall be reduced by an amount which shall bear the same proportion to the total amount of Contract Securities as the amount of Securities and Warrants, if any, set forth opposite the name of such Underwriter bears to the total amount of Securities and Warrants, if any, set forth in Schedule B hereto, except to the extent that you determine that such reduction shall be otherwise than in such proportion and so advise the Company; provided, however, that the total amount of Securities and Warrants, if any, to be purchased by all Underwriters shall be the total amount of Securities and Warrants, if any, set forth in Schedule B hereto less the aggregate amount of Contract Securities.

The Securities and Warrants, if any, to be purchased by the Underwriters will be delivered by the Company to you for the accounts of the several Underwriters at the office

specified in Schedule A hereto against payment of the purchase price therefor, unless otherwise specified in Schedule A hereto, by certified or official bank check or checks drawn on or by a bank in New York City payable in next-day funds to the order of the Company at the office, on the date and at the times specified in such Schedule A, or at such other time not later than eight full business days thereafter, as you and the Company determine, such time being herein referred to as the "Closing Date". Such Securities and Warrants, if any, will be prepared in definitive form and in such authorized denominations and registered in such names as you may require upon at least two business days' prior notice to the Company and the Guarantor, if any, and will be made available for checking and packaging at the office at which they are to be delivered on the Closing Date (or such other office as may be specified for that purpose in Schedule A) at least one business day prior to the Closing Date.

It is understood that you, acting individually and not in a representative capacity, may (but shall not be obligated to) make payment to the Company on behalf of any other Underwriter for Securities and Warrants, if any, to be purchased by such Underwriter. Any such payment by you shall not relieve any such Underwriter of any of its obligations hereunder.

The Company will pay to you on the Closing Date for the accounts of the Underwriters any fee, commissions or other compensation which is specified in Schedule A hereto. Such payment will be made by certified or official bank check drawn on or by a bank in New York City payable in next-day funds.

The Company shall not be obligated to deliver any Securities and Warrants, if any, except upon payment for all Securities and Warrants, if any, to be purchased pursuant to this Agreement as herein provided.

If any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the Securities and Warrants, if any, which the defaulting Underwriter agreed but failed to purchase in the respective proportions which the principal amount of Securities and Warrants, if any, set forth in Schedule A hereto to be purchased by each remaining non-defaulting Underwriter set forth therein bears to the aggregate principal amount of Securities and Warrants, if any, set forth therein to be purchased by all the remaining non-defaulting Underwriters; provided that the remaining non-defaulting Underwriters shall not be obligated to purchase any Securities and Warrants, if any, if the aggregate principal amount of Securities and Warrants, if any, which the defaulting Underwriter or Underwriters agreed but failed to purchase exceeds 9.09% of the total principal amount of Securities and Warrants, if any, and any remaining non-defaulting Underwriter shall not be obligated to purchase more than 110% of the principal amount of Securities and Warrants, if any, set forth in Schedule A hereto to be purchased by it. If either of the foregoing maximums are exceeded, the remaining non-defaulting Underwriters, or those other underwriters satisfactory to the Representative who so agree, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Securities and Warrants, if any. If, pursuant to the previous sentence, the remaining Underwriters or other underwriters satisfactory to the

Representative do not elect to purchase the Securities and Warrants, if any, which the defaulting Underwriter or Underwriters agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 3(j) hereof.

Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company for damages caused by its default. If other underwriters are obligated or agree to purchase the Securities and Warrants, if any, of a defaulting Underwriter, either the Representative or the Company may postpone the Closing Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement, any Prospectus or in any other document or arrangement.

3. Covenants. The Company and, unless otherwise specified, the Guarantor, if any, covenants and agrees with each Underwriter that:

(a) The Company will cause the Prospectus Supplement to be filed pursuant to Rule 424 under the Act and will notify you promptly of such filing. During the period in which a prospectus relating to the Securities, Warrants, if any, and Warrant Securities, if any, is required to be delivered under the Act, the Company will notify you promptly of the time when any amendment to the Registration Statement has become effective or any subsequent supplement to the Prospectus has been filed and of any request by the Commission for any amendment of or supplement to the Registration Statement or Prospectus or for additional information; it will prepare and file with the Commission, promptly upon your request, any amendments or supplements to the Registration Statement or Prospectus which, in your opinion, may be necessary or advisable in connection with the distribution of the Securities and Warrants, if any, by the Underwriters; it will file no amendment or supplement to the Registration Statement or Prospectus (other than any prospectus supplement relating to the offering of securities other than the Securities, the Warrants, if any, and the Warrant Securities, if any, registered under the Registration Statement or any document required to be filed under the Exchange Act which upon filing is deemed to be incorporated by reference therein) to which you shall reasonably object by notice to the Company after having been furnished a copy a reasonable time prior to the filing; and it will furnish to you at or prior to the filing thereof a copy of any such prospectus supplement or any document which upon filing is deemed to be incorporated by reference in the Registration Statement or Prospectus.

(b) The Company will advise you, promptly after it shall receive notice or obtain knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, of the suspension of the qualification of the Securities, Warrants, if any, and Warrant Securities, if any, for offering or sale in any jurisdiction, or of the initiation or threatening of any proceeding for any such purpose; and it will promptly use its best efforts to prevent

the issuance of any stop order or to obtain its withdrawal if such a stop order should be issued.

(c) Within the time during which a prospectus relating to the Securities, Warrants, if any, and Warrant Securities, if any, is required to be delivered under the Act, the Company will comply as far as it is able with all requirements imposed upon it by the Act, as now and hereafter amended, and by the Rules and Regulations, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities, Warrants, if any, and Warrant Securities, if any, as contemplated by the provisions hereof and the Prospectus. If during such period any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend or supplement the Registration Statement or Prospectus to comply with the Act, the Company will promptly notify you and will amend or supplement the Registration Statement or Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

(d) The Company will use its best efforts to qualify the Securities, Warrants, if any, and Warrant Securities, if any, for sale under the securities laws of such jurisdictions as you reasonably designate and to continue such qualifications in effect so long as required for the distribution of the Securities, Warrants, if any, and Warrant Securities, if any, except that the Company and the Guarantor, if any, shall not be required in connection therewith to qualify, as a foreign corporation or to execute a general consent to service of process in any state. The Company will also arrange for the determination of the eligibility for investment for the Securities, Warrants, if any, and Warrant Securities, if any, under the laws of such jurisdictions as you reasonably request.

(e) The Company will furnish to the Underwriters copies of the Registration Statement and Prospectus (including all documents incorporated by reference therein), and all amendments and supplements to the Registration Statement or Prospectus which are filed with the Commission during the period in which a prospectus relating to the Securities, Warrants, if any, and Warrant Securities, if any, is required to be delivered under the Act (including all documents filed with the Commission during such period which are deemed to be incorporated by reference therein), in each case in such quantities as you may from time to time reasonably request.

(f) So long as any of the Securities, and the Warrant Securities, if any, are outstanding, the Company agrees to furnish to you (i) as soon as available, copies of all financial reports to the Company's security holders generally and all reports and financial statements filed by or on behalf of the Company with the Commission and the New York Stock Exchange and (ii) from time to time such other information concerning the Company and the Guarantor, if any, as you may reasonably request.

(g) The Company will make generally available to its security holders as soon as practicable, but in any event not later than 15 months after the end of the Company's current fiscal quarter, an earnings statement (which need not be audited) covering a 12-month period beginning after the date upon which the Prospectus Supplement is filed pursuant to Rule 424 under the Act which shall satisfy the provisions of Section 11(a) of the Act.

(h) The Company will apply the net proceeds of the sale of the Securities, Warrants, if any, and Warrant Securities, if any, as set forth in the Prospectus.

(i) The Company will not, without your consent, offer or sell, or publicly announce its intention to offer or sell, any debt securities denominated in U.S. dollars, except for the issuance of (y) commercial paper or (z) bank borrowings in the ordinary course of the Company's business, during the period beginning the date of this Agreement and ending the later of the Closing Date or the date on which any price restrictions on the sale of the Securities are terminated, but in no event later than five business days after the Closing Date.

(j) The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay all expenses incident to the performance of the Company's and the Guarantor's (if any) obligations hereunder, will pay the expenses of printing all documents relating to the offering, and will reimburse the Underwriters for any expenses (including fees and disbursements of counsel) incurred by them in connection with the matters referred to in Section 3(d) hereof and the preparation of memoranda relating thereto, for any filing fee of the New York Stock Exchange, Inc. relating to the Securities, Warrants, if any, and Warrant Securities, if any, and for any fees charged by investment rating agencies for rating the Securities and the Warrant Securities, if any. If the sale of Securities and Warrants, if any, provided for in this Agreement is not consummated by reason of any failure, refusal or inability on the part of the Company to perform any agreement on its part to be performed, or because any other condition of the Underwriters' obligations hereunder required to be fulfilled by the Company is not fulfilled, the Company will reimburse the Underwriters for all reasonable out-of-pocket disbursements (including fees and disbursements of counsel) incurred by the Underwriters in connection with their preparing to market and marketing the Securities and Warrants, if any, or in contemplation of performing their obligations hereunder; provided that, except as provided in this subsection (j) and in Section 7, the Underwriters shall pay their own costs and expenses, including the fees and expenses of their counsel, any transfer taxes on the Securities and Warrants, if any, which they may sell and the expenses of advertising any offering of the Securities and Warrants, if any, made by the Underwriters. The Company shall not in any event be liable to any of the Underwriters for loss of anticipated profits from the transactions covered by this Agreement.

4. Indemnification and Contribution. (a) The Company and the Guarantor, if any, shall indemnify and hold harmless each Underwriter and each person, if any, participating with the Underwriters in the distribution of the Securities and Warrants, if any, who is an "underwriter" within the meaning of Section 2(11) of the Act with respect to the distribution of the Securities and Warrants, if any (the "Participants"), and each person, if any, who controls any Underwriter within the meaning of the Act or any Participant from and against any loss, claim, damage or liability, joint or several, and any action in respect thereof, to which that Underwriter, Participant or controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus, any document incorporated by reference in any of the foregoing documents or the Registration Statement or any Prospectus, as amended or supplemented, or arises out of, or is 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 shall reimburse each Underwriter, Participant and such controlling person, as incurred, for any legal and other expenses reasonably incurred by that Underwriter, Participant or controlling person in investigating or defending or preparing to defend against any such loss, claim, damage, liability or action; provided that the Company and the Guarantor, if any, shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or any Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter specifically for inclusion therein or was contained in that part of the Registration Statement consisting of the Form T-1; and provided further, that the indemnity agreement contained in this Section 4(a) with respect to losses, claims, damages, liabilities or actions arising out of or based upon any untrue statement or alleged untrue statement made in, or omission or alleged omission from, any Prospectus shall not inure to the benefit of any Underwriter, Participant or any person controlling such Underwriter or Participant from whom the person asserting any such losses, claims, damages, liabilities or action purchased the Securities with respect to which such losses, claims, damages, liabilities or actions are asserted, if the Underwriter or Participant failed to send or give a copy of any Prospectus, as the same may be amended or supplemented, to that person within the time required by the Act, and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in any such Prospectus was corrected in an amended or supplemented Prospectus, unless such failure resulted from non-compliance by the Company with Section 3(e) hereof. For purposes of the second proviso to the immediately preceding sentence, the term Prospectus shall not be deemed to include the documents incorporated therein by reference, and no Underwriter or Participant shall be obligated to send or give any supplement or amendment to any document incorporated by reference in any Prospectus to any person other than a person to whom such Underwriter or Participant has delivered such incorporated documents in response to a written request therefor. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter, Participant or any controlling person.

(b) Each Underwriter shall, severally and not jointly, indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, any person who controls the Company within the meaning of the Act and the Guarantor, if any, from and against any loss, claim, damage or liability, joint or several, and any action in respect thereof, to which the Company or any such director, officer, controlling person or the Guarantor may become subject, under the Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any Prospectus or arises out of, or is 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, but in each case only to the extent that the 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 and the Guarantor, if any, through the Representative by or on behalf of such Underwriter specifically for inclusion therein, and shall reimburse the Company and the Guarantor, if any, for any legal and other expenses reasonably incurred by the Company or any such director, officer, controlling person or the Guarantor in investigating or defending or preparing to defend against any such loss, claim, damage, liability or action. The foregoing indemnity agreement is in addition to any liability which any Underwriter may otherwise have to the Company, any of its directors, officers or controlling persons or the Guarantor.

(c) Promptly after receipt by an indemnified party under Section 4(a) or 4(b) above of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 4, notify the indemnifying party in writing of the claim or the commencement of that action, provided that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party except to the extent the indemnifying party is prejudiced thereby. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to represent such indemnified party in connection with such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 4 for any legal or other expenses subsequently incurred by such indemnified party in

connection with the defense thereof (other than reasonable costs of investigation) unless (i) the indemnified party shall have employed such counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not, in connection with any one such action, or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses with respect to any period during the pendency of such action or similar or related actions of more than one separate firm of attorneys for all indemnified parties so named, designated in writing by the Representative if the indemnifying party is the Company or the Guarantor or by the Company or the Guarantor if the indemnifying party is an Underwriter, it being further understood, however, that the firm of attorneys so designated may be changed from time to time with respect to different periods during the pendency of such action or similar or related actions), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnifying party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. The indemnifying party shall not be liable for any settlement of any action or claim effected without its consent, which consent shall not be unreasonably withheld.

(d) If the indemnification provided for in this Section 4 shall for any reason be unavailable to an indemnified party under Section 4(a) or 4(b) hereof in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Guarantor, if any, on the one hand and the Underwriters and Participants on the other from the offering of the Securities and Warrants, if any, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantor, if any, on the one hand and the Underwriters and Participants on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantor, if any, on the one hand and the Underwriters and Participants on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities and Warrants, if any, (before deducting expenses) received by the Company and the Guarantor, if any, bear to the total underwriting discounts and commissions received by the Underwriters and the Participants with respect to such offering, in each case as set forth in the table on the cover page of the Prospectus. The relative faults shall be determined by reference to 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 the Company and the Guarantor, if any, or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Guarantor, if any, and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 4(d) were to be determined by pro rata allocation (even if the Underwriters and Participants were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 4(d) shall be deemed to include, for purposes of this Section 4(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities and Warrants, if any, underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 4(d) are several in proportion to their respective underwriting obligations and not joint.

(e) The Underwriters severally confirm that the statements, if any, with respect to the public offering of the Securities set forth under the caption "Underwriting" in the Prospectus Supplement are correct and were furnished in writing to the Company by the Representative by or on behalf of the several Underwriters for inclusion in the Registration Statement and the Prospectus.

(f) The indemnity agreements contained in this Section 4 and the representations, warranties and agreements of the Company in Section 1 and Section 3 shall survive the delivery of the Securities and Warrants, if any, and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of any indemnified party.

5. Conditions Subsequent. The obligations of the Underwriters under this Agreement may be terminated by the Representative, in its absolute discretion, by notice given to and received by the Company and the Guarantor, if any, prior to delivery of and payment for the Securities and Warrants, if any, if, on or after the date hereof there shall have occurred any of the following: (a) trading in securities generally on the New York Stock Exchange is suspended or materially limited, or minimum prices are established on the New York Stock Exchange, or (b) a banking moratorium is declared by either Federal or New York State authorities, or (c) the outbreak or material escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if

the effect of any such event specified in this clause (c) in the judgment of the Representative makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities and Warrants, if any, on the terms and in the manner contemplated by the Prospectus.

6. Conditions of the Underwriters' Obligations. The obligations of the Underwriters to purchase and pay for the Securities and Warrants, if any, as provided herein shall be subject to the accuracy, as of the date hereof and the Closing Date (as if made at the Closing Date), of the representations and warranties of the Company and the Guarantor, if any, herein, to the performance by the Company and the Guarantor, if any, of their respective obligations hereunder, and to the following additional conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been instituted or, to the knowledge of the Company or any Underwriter, threatened by the Commission, and any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to your satisfaction.

(b) No Underwriter shall have advised the Company or the Guarantor, if any, that the Registration Statement or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact which in your opinion is material, or omits to state a fact which in your opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) Except as contemplated in the Prospectus, subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there shall not have been any material change, on a consolidated basis, in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, taken as a whole, or of the Guarantor, if any, and its subsidiaries, taken as a whole, or any material adverse change, or any development involving a prospective material adverse change in the condition (financial or other), business, prospects, net worth or results of operations of the Company and its subsidiaries, taken as a whole, or of the Guarantor, if any, and its subsidiaries, taken as a whole, or any downgrading in the rating accorded any securities of the Company or of the Guarantor, if any, by Moody's Investors Service, Inc. or Standard and Poor's Ratings Group which, in your judgment, makes it impractical or inadvisable to offer or deliver the Securities on the terms and in the manner contemplated in the Prospectus.

(d) Richard S. Ward, as counsel for the Company, or such other counsel for the Company as shall be satisfactory to you, shall have furnished to you his opinion, dated the Closing Date, to the effect that:

(i) The Company has been duly incorporated and is a validly existing corporation in good standing under the laws of Nevada, with corporate power

and authority to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified and is in good standing as a foreign corporation in each country or jurisdiction wherein the character of property owned or held under lease by it, or the nature of the business transacted by it makes such qualification necessary (except where the failure to so qualify would not have a material adverse effect upon the Company and its subsidiaries taken as a whole);

(ii) The Indenture and the Warrant Agreement, if any, have been duly authorized, executed and delivered, and the Indenture has been qualified under the Trust Indenture Act; the Indenture and the Warrant Agreement, if any, constitute valid and legally binding instruments in accordance with their respective terms; the Securities, the Warrants, if any, and the Warrant Securities, if any, have been duly authorized, and the Securities and Warrants, if any, delivered on the Closing Date have been duly executed, authenticated, issued and delivered; the Securities and Warrants, if any, delivered on the Closing Date constitute, any Contract Securities when executed, authenticated, issued and delivered in accordance with the Delayed Delivery Contracts, if any, the Warrant Agreement, if any, and the Indenture will constitute, and the Warrant Securities, if any, when executed, authenticated, issued and delivered pursuant to the Warrant Agreement, if any, and the Indenture will constitute, valid and legally binding obligations of the Company enforceable in accordance with their respective terms and the terms of the Indenture and the Warrant Agreement, if any, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Securities, Warrants, if any, and Warrant Securities, if any, conform to the description thereof in the Prospectus;

(iii) The Registration Statement has become effective under the Act and to the best knowledge of such counsel no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or, to the knowledge of such counsel, threatened by the Commission;

(iv) Each part of the Registration Statement, when such part became effective, and the Registration Statement and the Prospectus, and any amendment or supplement thereto, complied as to form in all material respects with the requirements of the Act, the Trust Indenture Act and the Rules and Regulations; such counsel has no reason to believe that either any part of the Registration Statement when such part became effective, or the Registration Statement and the Prospectus or any amendment or supplement thereto contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and the documents incorporated by reference in the Registration Statement or Prospectus, when they became effective under the

Act or were filed with the Commission under the Exchange Act, as the case may be, complied as to form in all material respects with the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder; it being understood that such counsel need express no opinion as to the financial statements or other financial or statistical data included in any of the documents mentioned in this clause;

(v) The descriptions in the Registration Statement and Prospectus of legal and governmental proceedings, contracts and other documents are accurate and fairly present the information required to be shown; and such counsel does not know of any statutes or legal or governmental proceedings required to be described in the Prospectus which are not described as required, or of any contracts or documents of a character required to be described in the Registration Statement or Prospectus (or then required to be filed under the Exchange Act if upon such filing they would be incorporated by reference therein) or to be filed as exhibits to the Registration Statement which are not described and filed as required;

(vi) To the best of such counsel's knowledge, the Company is not in violation of its corporate charter or by-laws, or in default under any material agreement, indenture or instrument;

(vii) This Agreement and any Delayed Delivery Contracts have been duly authorized, executed and delivered by the Company; the performance thereof and the consummation of the transactions therein contemplated (including, without limitation, the issuance of the Warrant Securities, if any, upon the exercise of the Warrants, if any) will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any agreement or instrument known to such counsel to which the Company is a party or by which it is bound or to which any of the property of the Company is subject, the Company's charter or by-laws, or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its properties; and no consent, approval, authorization or order of, or filing with, any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement and any Delayed Delivery Contracts in connection with the issuance or sale of the Securities (including the Contract Securities, if any), Warrants, if any, or Warrant Securities, if any, by the Company, except such as have been obtained under the Act and the Trust Indenture Act and such as may be required under state securities laws in connection with the sale of the Securities, Warrants, if any, and Warrant Securities, if any; and

(viii) The Company is not an "investment company" within the meaning of that term as defined in the Investment Company Act of 1940, as amended, and is not subject to regulation under said Act.

In rendering the opinion set forth in clause (i), counsel for the Company may rely, as to matters of Nevada law, upon the opinion of Lionel Sawyer & Collins or such other counsel as may be satisfactory to you.

(e) In the event there is a Guarantee, Richard S. Ward, Executive Vice President and General Counsel of the Guarantor, or such other counsel for the Guarantor as shall be satisfactory to you, shall have furnished to you his opinion, dated the Closing Date, to the effect that:

(i) The Guarantor has been duly incorporated and is a validly existing corporation in good standing under the laws of its state of incorporation, with corporate power and authority to own its properties and conduct its business as described in the Prospectus; and the Guarantor is duly qualified and is in good standing as a foreign corporation in each country or jurisdiction wherein the character of property owned or held under lease by it, or the nature of the business transacted by it makes such qualification necessary (except where the failure to so qualify would not have a material adverse effect upon the Guarantor and its subsidiaries taken as a whole); and

(ii) The Indenture has been duly authorized, executed and delivered by the Guarantor; the Indenture and the Guarantee contained therein constitute the valid and legally binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(f) You shall have received from the Company a certificate, dated the Closing Date, of its Chairman or its Vice Chairman or its President or a Vice President stating that:

(i) The representations, warranties and agreements of the Company in Section 1 are true and correct as of the Closing Date; the Company has complied with all its agreements contained herein; and the conditions set forth in Section 6(a) have been fulfilled; and

(ii) he has carefully examined the Registration Statement and the Prospectus and, in such officer's opinion, with respect to the Company (A) as of the date of the Prospectus, the Registration Statement and the Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the date of the Prospectus, no

event has occurred which should have been set forth in a supplement to or amendment of the Prospectus which has not been set forth in such a supplement or amendment.

(g) In the event there is a Guarantee, you shall have received from the Guarantor a certificate, dated the Closing Date, of its Chairman or its Vice Chairman or its President or a Vice President stating that:

(i) The representations, warranties and agreements of the Guarantor in Section 1 are true and correct as of the Closing Date; the Guarantor has complied with all its agreements contained herein; and

(ii) he has carefully examined the Registration Statement and the Prospectus and, in such officer's opinion, with respect to the Guarantor (A) as of the date of the Prospectus, the Registration Statement and the Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the date of the Prospectus, no event has occurred which should have been set forth in a supplement to or amendment of the Prospectus which has not been set forth in such a supplement or amendment.

(h) You shall have received from Cravath, Swaine & Moore, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the issuance and sale of the Securities, the Warrants, if any, the Warrant Securities, if any, the Indenture, the Warrant Agreement, if any, the Registration Statement, the Prospectus and other related matters as you may reasonably require, and the Company and the Guarantor, if any, shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(i) You shall have received on the Closing Date a letter from Arthur Andersen LLP, addressed to the Underwriters and dated the Closing Date, substantially to the effect set forth in Exhibit II hereto appropriately updated, with respect to the Registration Statement and Prospectus at the time of this Agreement and confirming that they are independent public accountants within the meaning of the Rules and Regulations.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance satisfactory to Cravath, Swaine & Moore, counsel for the Underwriters.

7. Expense Reimbursement. If this Agreement shall be canceled or terminated by the Underwriters on any of the grounds referred to or specified in Section 6

hereof, or because of any failure or refusal on the part of the Company or the Guarantor, if any, to comply with any of the terms or to fulfill any of the conditions of this Agreement, the Company will reimburse the Underwriters severally for all their out-of-pocket expenses (including the fees and expenses of their counsel) reasonably incurred by them in connection with the subject matter of this Agreement.

8. Notices. All notices or communications hereunder shall be in writing and if sent to you shall be mailed, delivered or telegraphed and confirmed to you at your address set forth for that purpose in Schedule A hereto, or if sent to the Company or the Guarantor, if any, shall be mailed, delivered or telegraphed and confirmed to the Company or the Guarantor, if any, at 1330 Avenue of the Americas, New York, New York 10019-5490, Attention: Corporate Secretary. Notices to any Underwriter pursuant hereto shall be mailed, delivered or telegraphed and confirmed to such Underwriter's address furnished to the Company in writing for the purpose of communications hereunder. Any party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose.

9. Parties. This Agreement shall inure to the benefit of and be binding upon the Company, the Guarantor, if any, and the Underwriters and their respective successors and the controlling persons, officers and directors referred to in Section 4 and no other person will have any right or obligation hereunder.

In all dealings with the Company under this Agreement, you shall act on behalf of each of the several Underwriters, and any action under this Agreement taken by you or by any one of you designated in Schedule A hereto will be binding upon all the Underwriters.

10. APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

11. Counterparts. This Agreement may be executed by one or more of you in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement.

If the foregoing correctly sets forth our Agreement, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between the Company, the Guarantor, if any, and the several Underwriters.

Alternatively, the execution of this Agreement by the Company and, the Guarantor, if any, and its acceptance by or on behalf of the Underwriters may be evidenced by an exchange of telegraphic or other written communications.

ITT DESTINATIONS, INC.,

by -

Senior Vice President
and Treasurer

[GUARANTOR],

by -

Senior Vice President
and Treasurer

ACCEPTED at New York, New York
as of the date first above
written on behalf of ourselves
and the other Underwriters, if
any, named in Schedule B hereto.

[-]

By -

Title: -

SCHEDULE A

Underwriting Agreement dated -

Registration Statement No. 33- -

Representative: -

Title of Securities: -

Amount of Securities: \$ -

Maturity Date: -

Interest Rate: -

Redemption: -

Indenture: Dated - , with -

Purchase Price: -

Depository: -

Guarantor: -

Title of Warrant Securities: -

Amount of Warrant Securities: -

Maturity Date: -

Interest Rate: -

Title of Warrant Agreement: -

Warrant Agent: -

Number of Warrants: - per each \$ - principal amount of
Warrant Securities

Exercise Period: -

Exercise Price: -

Warrant Securities accrue interest from - 19 -

Delayed Delivery:

Fee: -

Minimum principal amount of each Contract: -

Maximum aggregate principal amount of all Contracts: -

Closing:

Office for delivery of Securities, and Warrants, if any: -

Office for payment for Securities, and Warrants, if any: -

Date and time of Closing: -

Office for Checking Securities, and Warrants, if any: -

Underwriting commissions or other compensation: -

Underwriter designated pursuant to Section 9: -

Address for notices per Section 8: -

SCHEDULE B

| Underwriter ----- | Principal Amount of Securities, and Warrants, if any, to be Purchased ----- |
|----------------------|---|
| - | \$ - |
| Total | \$ - |
| | ===== |

EXHIBIT I

ITT DESTINATIONS, INC.

[Insert specific title of securities 1/]

DELAYED DELIVERY CONTRACT

[Insert date of initial offering]

ITT Destinations, Inc.
1330 Avenue of the Americas
New York, New York 10019-5490

Dear Sirs:

The undersigned hereby agrees to purchase from ITT Destinations, Inc., a Nevada corporation (the "Company"), and the Company hereby agrees to sell to the undersigned, [If one delayed closing, insert--as of the date hereof, for delivery on - , 19 ("Delivery Date")] [\$] - principal amount of the Company's [title of Securities and related Warrants, if any] (the "Securities"), offered by the Company's Prospectus relating thereto, receipt of a copy of which is hereby acknowledged, at a purchase price of % of the principal amount thereof plus accrued interest, if any, and on the further terms and conditions set forth in this contract.

[If two or more delayed closings, insert the following:

The undersigned will purchase from the Company as of the date hereof, for delivery on the dates set forth below, Securities in the principal amounts set forth below:

| Delivery Date ----- | Principal Amount ----- |
|------------------------|------------------------------|
| - | \$ - |
| - | \$ - |

1/ To be completed when the Underwriting Agreement is executed by the parties thereto.

Each of such delivery dates is hereinafter referred to as a Delivery Date.]

Payment for the Securities which the undersigned has agreed to purchase for delivery on [the] [each] Delivery Date shall be made to the Company or its order by certified or official bank check in New York Clearing House funds at the office of - at - .m., - time, on such Delivery Date upon delivery to the undersigned of the Securities to be purchased by the undersigned for delivery on such Delivery Date in definitive form and in such denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than five business days prior to such Delivery Date. If no designation is received, the Securities will be registered in the name of the undersigned and issued in a denomination equal to the aggregate principal amount of Securities to be purchased by the undersigned on such Delivery Date.

The obligation of the undersigned to accept delivery of and make payment for the Securities on [the] [each] Delivery Date will be subject only to the conditions that (1) investment in the Securities shall not at such Delivery Date be prohibited under the laws of any jurisdiction in the United States to which the undersigned is subject, which investment the undersigned represents is not prohibited on the date hereof, and (2) the Company shall have delivered to the Underwriters the principal amount of the Securities to be purchased by them pursuant to the Underwriting Agreement referred to in the Prospectus mentioned above and received payment therefor.

This Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the written consent of the other.

It is understood that acceptance of this is in the Company's sole discretion and, without limiting the foregoing, need not be on a first-come, first-served basis. If this Contract is acceptable to the Company, it is requested that the Company sign the form of acceptance below and mail or deliver one of the counterparts hereof to the undersigned at its address set forth below. This will become a binding contract between the Company and the undersigned when such counterpart is so mailed or delivered.

This contract shall be governed by, and construed in accordance with, the laws of the state of New York.

Very truly yours,
-

(Name of Purchaser)
-

-

(Title of Signatory)

-

-

(Address of Purchaser)

Accepted as of the date above.

ITT DESTINATIONS, INC.,

-

Title: -

=====

ITT DESTINATIONS, INC.,

Issuer

ITT CORPORATION,

Guarantor

AND

THE FIRST NATIONAL BANK OF CHICAGO,

Trustee

Indenture

Dated as of October -, 1995

Debt Securities

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ITT DESTINATIONS, INC.
CROSS REFERENCE SHEET (1)

Showing the location in the ITT Destinations, Inc. Indenture of the provisions required pursuant to Section 310 to 318(a) inclusive of the Trust Indenture Act of 1939 (including cross-references to provisions of Sections 310 to 318(a) which, pursuant to Section 318(c) of the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, are part of and govern such Indenture Provisions whether or not physically contained therein):

| Section of the Trust Indenture Act of 1939 ----- | Section of Indenture ----- |
|---|-------------------------------|
| 310(a)(1), (2) and (5) | 8.9 |
| 310(a)(3) and (4) | Inapplicable |
| 310(b) | 8.8 and 8.10(a), (b)and(d) |
| 310(c) | Inapplicable |
| 311(a) | 8.13(a) and (c)(1)and(2) |
| 311(b) | 8.13(b) |
| 311(c) | Inapplicable |
| 312(a) | 6.1 and 6.2(a) |
| 312(b) | 6.2(b) |
| 312(c) | 6.2(c) |
| 313(a) | 6.4(a) |
| 313(b)(1) | Inapplicable |
| 313(b)(2) | 6.4(b) |
| 313(c) | 6.4(c) |
| 313(d) | 6.4(d) |
| 314(a)(1), (2) and (3) | 6.3 |
| 314(a)(4) | 4.7, 12.4 |
| 314(b) | Inapplicable |
| 314(c)(1) and (2) | 15.6 |
| 314(c)(3) | Inapplicable |
| 314(d) | Inapplicable |
| 314(e) | 15.6 |
| 314(f) | Inapplicable |
| 315(a), (c) and(d) | 8.1 |
| 315(b) | 7.11 |

(1) This Cross Reference Sheet is not part of the Indenture.

Section of the Trust Indenture Act of 1939

Section of Indenture

| | |
|-----------------------|--------------|
| 315(e) | 7.12 |
| 316(a)(1)(A) | 7.9 |
| 316(a)(1)(B) | 7.10 |
| 316(a)(2) | Inapplicable |
| 316(a)(last sentence) | 9.4 |
| 316(b) | 7.7 |
| 317(a) | 7.2 |
| 317(b) | 4.4 |
| 318(a) | 15.11 |

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INDENTURE, dated as of October -, 1995, between ITT Destinations, Inc., a Nevada corporation (the "Issuer"), ITT Corporation, a Delaware corporation (the "Guarantor"), and The First National Bank of Chicago, a national banking association, as Trustee (the "Trustee").

RECITALS OF THE ISSUER AND THE GUARANTOR

The Issuer is authorized to borrow money for its corporate purposes and to issue debentures, notes or other evidences of indebtedness therefor; and for its corporate purposes, the Issuer has determined to make and issue its debentures, notes or other evidences of indebtedness to be issued in one or more series (the "Securities"), as hereinafter provided, up to such principal amount or amounts as may from time to time be authorized by or pursuant to the authority granted in one or more resolutions of the Board of Directors.

The Guarantor is authorized to guarantee the Securities and has determined to guarantee the Securities, subject to certain conditions, all as hereinafter provided.

All things necessary to make this Indenture a valid agreement of the Issuer and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Securities by the holders thereof and of the sum of One Dollar to the Issuer duly paid by the Trustee at or before the ensealing and delivery of these presents, and for other valuable considerations, the receipt whereof is hereby acknowledged, and in order to declare the terms and conditions upon which the Securities are to be issued, IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and among the parties hereto, that all the Securities are to be executed, authenticated and delivered subject to the further covenants and conditions hereinafter set forth; and the Issuer, for itself and its successors, and the Guarantor, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in said trust, for the benefit of those who shall hold the Securities, or any of them, as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.1. Certain Terms Defined. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture that are defined in the Trust Indenture Act or the definitions of which in the Securities

Act of 1933 are referred to in the Trust Indenture Act or by Commission rule under the Trust Indenture Act (except as herein otherwise expressly provided or unless the context otherwise clearly requires) shall have the meanings assigned to such terms in said Trust Indenture Act, rule thereunder or in said Securities Act as in force at the date of this Indenture. All accounting terms used and not expressly defined herein shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" means such accounting principles as are generally accepted at the time of any computation. The words "herein", "hereof," and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

"Authenticating Agent" means with respect to any series of Securities, an authenticating agent appointed by the Trustee with respect to that series of Securities pursuant to Section 8.14.

"Authorized Newspaper" means a newspaper in an official language of the country of publication customarily published at least once a day, and customarily published for at least five days in each calendar week, and of general circulation in such city or cities as may be provided elsewhere in this Indenture or specified as contemplated by Section 3.1 with respect to the Securities of any series the terms of which permit Unregistered Securities or Coupon Securities. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on an Business Day, in such city.

"Board of Directors" means either the Board of Directors of the Issuer or the Guarantor, as the case may be, or any committee of either such Board duly authorized to act hereunder.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Issuer or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means with respect to any Security, a day which, in the city (or in any of the cities, if more than one) in which amounts are payable as specified in the form of such Security, is neither a legal holiday nor a day on which banking institutions, including the Trustee, are authorized or required by law or regulation or executive order to close.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of corporate stock.

"Capitalized Lease-Back Obligation" means with respect to a Principal Property, at any date as of which the same is to be determined, in the case of the Issuer, the total net rental obligations of the Issuer or a Restricted Subsidiary under a lease of such Principal Property entered into as part of an arrangement to which the provisions of Section 4.5 are applicable (or would have been applicable had such Restricted Subsidiary been a Restricted Subsidiary at the time it entered into such lease), discounted to the date of computation at the rate of 9% per annum and, in the case of the Guarantor, the total net rental obligations of the Guarantor or a Domestic Subsidiary under a lease of such Principal Property entered into as part of an arrangement to which the provisions of Section 5.1 are applicable (or would have been applicable had such Domestic Subsidiary been a Domestic Subsidiary at the time it entered into such lease), discounted to the date of computation at the rate of 9% per annum. The amount of the net rental obligation for any calendar year under any lease shall be the sum of the rental and other payments required to be paid in such calendar year by the lessee thereunder, not including, however, any amounts required to be paid by such lessee (whether or not therein designated as rental or additional rental) on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or if at any time after the execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act of 1939, then the body performing such duties at such time.

"Completion of the Distribution" means, for purposes of Sections 4.5, 4.6 and 14.2, the date that (i) the hospitality, entertainment and information businesses of the Guarantor have been transferred in all material respects to the Issuer as contemplated in the prospectus and prospectus supplement (including, without limitation, such businesses as are reflected in the audited financial statements of the Issuer incorporated therein) used in the offer and sale of the first series of the Securities, (ii) all the outstanding shares of the common stock, without par value, of the Issuer have been distributed to all holders of outstanding ITT Corporation common stock as contemplated in such prospectus and prospectus supplement (including, without limitation, the documents incorporated therein by reference) and (iii) delivery by the Issuer to the Trustee of an Officers' Certificate and an Opinion of Counsel as to the Completion of the Distribution in accordance with Section 14.2.

"Component Currency": See Section 3.12(i).

"Consolidated Net Tangible Assets" means the total of all assets appearing on a consolidated balance sheet of, in the case of the Issuer, the Issuer and its Restricted Subsidiaries, and, in the case of the Guarantor, the Guarantor and its Domestic Subsidiaries, prepared in accordance with generally accepted accounting principles (and as of a date not more than 90 days prior to the date as of which Consolidated Net Tangible Assets are to be determined), less the sum of the following items as shown on said consolidated balance sheet:

(i) the book amount of all segregated intangible assets, including, without limitation, such items as goodwill, trademarks, trademark rights, trade names, trade name rights, copyrights, patents, patent rights and licenses, and unamortized debt discount and expense less unamortized debt premium;

(ii) all depreciation, valuation and other reserves;

(iii) current liabilities;

(iv) in the case of the Issuer, any minority interest in the stock and surplus of Restricted Subsidiaries of the Issuer;

(v) in the case of the Guarantor, any minority interest in the stock and surplus of Domestic Subsidiaries of the Guarantor;

(vi) in the case of the Issuer, the investment of the Issuer and its Restricted Subsidiaries in any Subsidiary of the Issuer which is not a Restricted Subsidiary;

(vii) in the case of the Guarantor, the investment of the Guarantor and its Domestic Subsidiaries in any Subsidiary of the Guarantor which is not a Domestic Subsidiary;

(viii) deferred income and deferred liabilities; and

(ix) other items deductible under generally accepted accounting principles.

"Conversion Date": See Section 3.12(e).

"Conversion Rate": See Section 7.13.

"Corporate Trust Office" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, except that, with respect to presentation of Registered Securities for payment or for registration of transfer and exchange, presentation of Unregistered Securities for registration and the location of the Securities Register, such term shall mean such office or the agency of the Trustee designated for such purpose.

"Coupon" means any interest coupon appertaining to any Security.

"Coupon Security" means any Security authenticated and delivered with one or more Coupons appertaining thereto.

"Depository" means with respect to any series of Securities for which the Issuer shall determine that such Securities will be issued as a Global Security, The Depository Trust Company, New York, New York, another clearing agency or any successor registered under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation, which, in each case, shall be designated by the Issuer pursuant to either Section 2.4 or 3.1.

"Distribution": means the distribution to shareholders of the Guarantor of all the shares of common stock of the Issuer and all the shares of common stock of ITT Hartford Group, Inc.

"Dollar" means the coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

"Dollar Determination Agent" means the New York clearing house bank, if any, from time to time selected by the Issuer for purposes of Section 3.12.

"Dollar Equivalent of the Currency Unit": See Section 3.12(h).

"Dollar Equivalent of the Foreign Currency": See Section 3.12(g).

"Domestic Subsidiary" means each Subsidiary of the Guarantor which is neither a Foreign Subsidiary nor an Unrestricted Subsidiary.

"ECU" means the European Currency Unit as defined and revised from time to time by the Council of the European Communities.

"European Communities" means the European Economic Community, the European Coal and Steel Community, and the European Atomic Energy Community.

"Event of Default" means any event or condition specified as such in Section 7.1 which shall have continued for the period of time, if any, therein designated.

"Exchange Rate Officer's Certificate" means a telex or a certificate setting forth (i) the applicable Official Currency Unit Exchange Rate and (ii) the Dollar or Foreign Currency amounts of principal, premium, if any and interest, if any, respectively (on an aggregate basis and on the basis of a Security having a principal amount of 1,000 in the relevant currency unit), payable on the basis of such Official Currency Unit Exchange Rate, sent (in the case of a telex) or signed (in the case of a certificate) by the Treasurer or any Associate or Assistant Treasurer of the Issuer and delivered to the Trustee.

"Fair Value" when used with respect to property, means the fair value as determined in good faith by the Board of Directors.

"Foreign Currency" means a currency issued by the government of any country other than the United States.

"Foreign Subsidiary" means any Subsidiary substantially all of the operating assets of which are located, or substantially all of the business of which is carried on, outside the United States of America and any territory or possession of the United States of America, but such term shall not include any Subsidiary which is incorporated under the laws of any state of the United States of America and substantially all of the assets of which consist of securities of other Subsidiaries.

"Fully Registered Security" means any Security registered as to principal and interest, if any.

"Gaming Authority" means the Nevada Gaming Commission, the Nevada Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement or any similar commission or agency of any state or other legal jurisdiction having jurisdiction over the gaming activities or any proposed or future gaming activities of the Issuer or a Subsidiary of the Issuer or any successor thereto.

"Gaming Laws" means all laws pursuant to which any Gaming Authority possesses licensing or permit authority over gaming activities conducted by the Issuer or any of its Subsidiaries within its jurisdiction.

"Global Security" means, with respect to any series of Securities, a Security executed by the Issuer and authenticated and delivered by the Trustee to the Depository or pursuant to the Depository's instruction, all in accordance with this Indenture and pursuant to an Issuer Order, which (i) shall be registered in the name of the Depository, or its nominee and (ii) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all of the Outstanding Securities

of such series or any portion thereof, in either case having the same terms, including, without limitation, the same issue date, date or dates on which principal is due, and interest rate or method of determining interest.

"Government Obligations" means, with respect to the Securities of any series, securities which are (i) direct obligations of the government which issued the currency, in which the Securities of such series are denominated or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the government which issued the currency in which the Securities of such series are denominated the payment of which is unconditionally guaranteed by such government, and which, in either case, are full faith and credit obligations of such government and are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of such depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt.

"Guarantee" means each guarantee of the Securities contained in Article Fourteen given by the Guarantor.

"Guarantor" means ITT Corporation, a Delaware corporation, until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, "Guarantor" shall mean each such successor corporation.

"Holder" means, with respect to a Registered Security, any person in whose name at the time a particular Registered Security is registered in the Securities Register; with respect to an Unregistered Security, the bearer of such Unregistered Security; and, with respect to a Coupon, the bearer thereof.

"Indenture" means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented, and shall include the forms and terms of particular series of Securities established as contemplated hereunder, regardless of the currency or currency unit in which such Securities are denominated.

"Interest" means, when used with respect to any non-interest bearing Security, interest payable after Maturity.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Securities of any series.

"Issuer" means ITT Destinations, Inc., a Nevada corporation, and, subject to Article Twelve, its successors and assigns.

"Issuer Order" and "Issuer Request" mean a written order and a written request, respectively, signed in the name of the Issuer by the chairman or any vice chairman or the president or any vice president and by the treasurer or any associate or assistant treasurer or the secretary or any assistant secretary of the Issuer and delivered to the Trustee.

"Market Exchange Rate": See Section 3.12(i).

"Maturity", when used with respect to any Security, shall mean the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Obligations": See Section 14.1.

"Officers' Certificate" means a certificate signed by the chairman or any vice chairman or the president or any vice president and by the treasurer or any associate or assistant treasurer or the secretary or any assistant secretary of the Issuer or the Guarantor, as the case may be, and delivered to the Trustee. Each such certificate shall include the statements provided for in Section 15.6 if and to the extent required thereby.

"Official Currency Unit Exchange Rate" means, with respect to any payment to be made hereunder, the exchange rate between the relevant currency unit and the Dollar calculated by the agency specified pursuant to Section 3.1 for the Securities of the relevant series (in the case of the ECU, calculated by the Commission of the European Communities, and currently based on the rates in effect at 2:30 p.m., Brussels time, on the exchange markets of the Component Currencies of the ECU), on the second Business Day (in the city in which such agency has its principal office) immediately preceding the applicable payment date.

"Opinion of Counsel" means an opinion in writing signed by legal counsel who may be an employee of or counsel to the Issuer or the Guarantor, as the

case may be, or who may be other counsel satisfactory to the Trustee. Each such opinion shall include the statements provided for in Section 15.6 if and to the extent required thereby.

"Original Issue Date" of any Security (or portion thereof) means the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer, exchange or substitution.

"Original Issue Discount Security" means (i) any Security that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof pursuant to Section 7.1 and (ii) any other Security deemed an Original Issue Discount Security for United States Federal income tax purposes.

"Outstanding" (except as otherwise provided in Section 8.8), when used with reference to Securities, shall, subject to the provisions of Section 9.4, mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any Paying Agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer for the Holders of such Securities (if the Issuer shall act as its own Paying Agent); provided that, if such Securities, or portions thereof, are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities in substitution for which other Securities shall have been authenticated and delivered, or which shall have been paid, pursuant to the terms of Section 3.7 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security is held by a person in whose hands such Security is a legal, valid and binding obligation of the Issuer).

In determining whether the Holders of the requisite principal amount of Outstanding Securities of any or all series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of

an Original Issue Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to Section 7.1.

"Overdue Rate" with respect to any series of Securities means the rate designated as such in or pursuant to the resolution of the Board of Directors of the Issuer or the supplemental indenture, as the case maybe, relating to such series as contemplated by Section 3.1.

"Paying Agent" means any person authorized by the Issuer to pay the principal of, or premium, if any or interest, if any on, any Securities on behalf of the Issuer.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of, and the premium if any and interest if any on, the Securities of such series are payable as specified pursuant to Section 3.1.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.7 in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the lost, destroyed or stolen Security.

"Principal Property" means, with respect to the Issuer, any single property owned by the Issuer or any Restricted Subsidiary having a gross book value in excess of 2% of the Issuer's Consolidated Net Tangible Assets, except any such property or portion thereof which the Issuer's Board of Directors by resolution declares is not of material importance to the total business conducted by the Issuer and its Restricted Subsidiaries as an entirety, and, with respect to the Guarantor, any single manufacturing or processing facility owned by the Guarantor or any Domestic Subsidiary having a gross book value in excess of 2% of the Guarantor's Consolidated Net Tangible Assets, except any such facility or portion thereof which the Guarantor's Board of Directors by resolution declares is not of material importance to the total business conducted by the Guarantor and its Domestic Subsidiaries as an entirety.

"Redemption Date", when used with respect to any Security to be redeemed, means that date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Security to be redeemed, means the price, in the Dollars or the Foreign Currency or currency unit in which such Security is denominated or which is otherwise provided for pursuant to this Indenture, at which it is to be redeemed pursuant to this Indenture.

"Registered Holder" means, with respect to a Registered Security, the Person in whose name such Security is registered in the Securities Register.

"Registered Security" means any Security registered as to principal.

"Required Currency": See Section 15.10.

"Responsible Officer" when used with respect to the Trustee means any officer in the Corporate Trust Office of the Trustee and any other officer of the Trustee to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Subsidiary" means any Subsidiary other than an Unrestricted Subsidiary.

"Security" or "Securities" (except as otherwise provided in Section 8.8) has the meaning stated in the recitals of this Indenture and more particularly shall mean any Registered or Unregistered Securities authenticated and delivered under this Indenture.

"Securities Register" and "Securities Registrar": See Section 3.6.

"Specified Amount": See Section 3.12(i).

"Stated Maturity", when used with respect to any Security or any installment of interest thereon, means the date specified in such Security or the Coupon, if any, representing such installment of interest, as the fixed date on which the principal of such Security or such installment of interest is due and payable.

"Subsidiary" means, with respect to the Issuer, any corporation more than 50% of the voting stock of which at the time is owned or controlled, directly or indirectly, by the Issuer or the accounts of which are in fact consolidated with the accounts of the Issuer, and, with respect to the Guarantor, any corporation more than 50% of the voting stock of which at the time is owned or controlled, directly or indirectly, by the Guarantor or the accounts of which are in fact consolidated with the accounts of the Guarantor.

"Trustee" means the person identified as "Trustee" in the first paragraph of this Indenture and, subject to the provisions of Article Eight shall also include any successor trustee. If there shall be more than one Trustee at any one time, "Trustee" shall mean each such Trustee and shall apply to each such Trustee only with respect to those series of Securities with respect to which it is serving as Trustee.

"Trust Indenture Act" (except as otherwise provided in Sections 11.1 and 11.2) means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, and as in force at the date as of which this Indenture was originally executed.

"Unregistered Security" means any Security that is not registered as to principal.

"Unrestricted Subsidiary" means, with respect to the Issuer, or the Guarantor, as the case may be, any Subsidiary which has been designated by Board Resolution as an Unrestricted Subsidiary, other than any such Subsidiary as to which such a designation has been rescinded by Board Resolution and not thereafter, or after some subsequent such rescission, restored by Board Resolution, or any Subsidiary 50% or less of the voting stock of which is owned directly by the Issuer or the Guarantor, as the case may be, and/or one or more of its respective Restricted Subsidiaries. A Subsidiary may not be designated as (or otherwise permitted to become) an Unrestricted Subsidiary unless, immediately after such Subsidiary becomes an Unrestricted Subsidiary, such Subsidiary would not own any capital stock

of, or hold any indebtedness of, any Restricted Subsidiary. A designation as an Unrestricted Subsidiary may not be rescinded (or an Unrestricted Subsidiary otherwise permitted to become a Restricted Subsidiary) unless such Subsidiary (i) is not a party to any lease which it would have been prohibited by Section 4.5, in the case of the Issuer, or Section 5.1, in the case of the Guarantor, from entering into had it been a Restricted Subsidiary at the time it entered into such lease, unless (x) such Subsidiary had not been a Restricted Subsidiary prior to its entering into such lease, or (y) the property subject to such lease shall be owned by the Issuer or the Guarantor, as the case may be, and/or one or more of its respective Restricted Subsidiaries, or (z) such Subsidiary would not be prohibited by Section 4.5, in the case of the Issuer, or Section 5.1, in the case of the Guarantor, from entering into such lease immediately after it becomes a Restricted Subsidiary, and (ii) does not have outstanding upon and of its property any mortgage, pledge or other lien which it would be prohibited by Section 4.6, in the case of the Issuer, or Section 5.2, in the case of the Guarantor, from creating, suffering to be created, or assuming, immediately after it becomes a Restricted Subsidiary. Upon any designation of a Subsidiary as an Unrestricted Subsidiary, or any rescission of and such designation, the Issuer or the Guarantor, as the case may be, shall, within 30 days of the date of the adoption of the Board Resolution effecting such action, deliver to the Trustee a copy of such Board Resolution together with an Officers' Certificate to the effect that such action is in compliance with the foregoing provisions of this paragraph.

"Valuation Date": See Section 3.12(e).

"Vice President" when used with respect to the Issuer or the Guarantor, as the case may be, means any vice president, whether or not designated by a number or a word or words added before or after the title of "vice president".

SECTION 1.2. Other Defined Terms. Certain other terms are defined in Article Eight.

ARTICLE TWO

SECURITY FORMS

SECTION 2.1. Forms Generally. The Securities of each series, and the Coupons if any, to be attached thereto, shall be in substantially the form as shall be established pursuant to Section 3.1 in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements placed thereon as the Issuer may deem appropriate and as are not inconsistent with the provisions of this Indenture or as may

be required to comply with any law or with any rules or regulations made pursuant thereto or with any rules or regulations of any securities exchange on which any of the Securities may be listed, or as may, consistently herewith, be determined by the officers executing such Securities, and Coupons, if any, as evidenced by their execution of the Securities, and Coupons, if any.

The definitive Securities, and Coupons, if any, of each series shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing of such Securities, and Coupons, if any, as evidenced by their execution of such Securities, and Coupons, if any, subject, with respect to the Securities of any series, to the rules of any securities exchange on which the Securities of such series are listed.

SECTION 2.2. Form of Trustee's Certificate of Authentication. The Trustee's Certificate of Authentication on all Securities shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE FIRST NATIONAL BANK
OF CHICAGO
as Trustee

by _____
Authorized Officer

SECTION 2.3. Form of Trustee's Certificate of Authentication by an Authenticating Agent. If at any time there shall be an Authenticating Agent appointed

with respect to any series of Securities, then the Trustee's Certificate of Authentication by such Authenticating Agent on all Securities of such series shall be in substantially the following form:

THE FIRST NATIONAL BANK
OF CHICAGO
as Trustee

by [NAME OF AUTHENTICATING AGENT],
Authenticating Agent

by _____
Authorized Officer

SECTION 2.4. Securities Issuable in the Form of a Global Security. (a) If the Issuer shall establish pursuant to Section 3.1 that the Securities of a particular series are to be issued in whole or in part in one or more Global Securities, then the Issuer shall execute and the Trustee shall, in accordance with Section 3.3 and the Issuer Order delivered to the Trustee thereunder, authenticate and deliver a Global Security or Securities which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Securities of such series to be represented by such Global Security or Securities, (ii) shall be registered in the name of the Depository for such Global Security or Securities or its nominee, (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instruction and (iv) shall bear a legend substantially to the following effect: "Except as otherwise provided in Section 2.4 of the Indenture, this Security may be transferred, in whole but not in part, only to a nominee of the Depository, or by a nominee of the Depository to the Depository, or to a successor Depository or to a nominee of such successor Depository."

(b) Notwithstanding any other provision of this Section 2.4 or of Section 3.6, the Global Security of a series may be transferred, in whole but not in part and in the manner provided in Section 3.6, only to a nominee of the Depository, for such series or by a nominee of the Depository to the Depository or to a successor Depository for such series selected or approved by the Issuer or to a nominee of such successor Depository.

(c) If at any time the Depository for a series of Securities notifies the Issuer that it is unwilling or unable to continue as Depository for such series 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 Issuer within 90 days after the Issuer receives such notice or becomes aware of such condition, as the case may be, this Section 2.4 shall no longer be applicable to the Securities of such series and the Issuer will execute, and the Trustee will, in accordance with Section 3.3 and an Issuer Order delivered to the Trustee, authenticate and deliver, Fully Registered Securities of such series, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security of such series in exchange for such Global Security. In addition, the Issuer may at any time determine that the Securities of any series shall no longer be represented by a Global Security and that the provisions of this Section 2.4 shall no longer apply to the Securities of such series. In such event the Issuer will execute and the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Issuer, will authenticate and deliver Fully Registered Securities of such series, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security of such series in exchange for such Global Security. Upon the exchange of the Global Security for Fully Registered Securities issued in exchange for the Global Security pursuant to this Section 2.4(c), such (i) Global Security shall be cancelled by the Trustee, and (ii) Fully Registered Securities 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 Securities to the Persons in whose names such Securities are so registered.

ARTICLE THREE

THE SECURITIES

SECTION 3.1. Amount Unlimited; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to the authority granted in a Board Resolution of the Issuer or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

(1) the form of the Securities of any series and the Coupons, if any, appertaining thereto:

(2) the title of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(3) any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.4, 3.6, 3.7, 3.10 or 16.3);

(4) the date or dates on which such Securities may be issued;

(5) the date or dates, which may be serial, on which the principal of, and premium, if any, on, the Securities of such series shall be payable;

(6) the rate or rates, or the method of determination thereof, at which the Securities of such series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and, in the case of Registered Securities, the record dates, if other than as set forth in Section 3.8, for the determination of Holders to whom interest is payable, and whether any special terms and conditions relating to the payment of additional amounts in respect of payments on the Securities of such series shall in the event of certain changes in the United States Federal income tax laws apply to Unregistered Securities of such series or to Registered Securities of such series;

(7) the place or places where the principal of, and premium, if any, and interest, if any, on Securities of the series shall be payable (if other than as provided in Section 4.2);

(8) the provisions, if any, establishing the price or prices at which, the period or periods within which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Issuer, pursuant to any sinking fund or otherwise, and whether any special terms and conditions of redemption shall apply to Unregistered Securities of such series or to Registered Securities of such series;

(9) the obligation, if any, of the Issuer to redeem, purchase or repay Securities of the series pursuant to the sinking fund or analogous provisions or at the option of a Holder thereof and the price or prices, in the currency or currency unit in which the Securities of such series are payable, at which and the period or periods within which and the terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(10) if other than denominations of 1,000 and any integral multiple thereof, in Dollars or the Foreign Currency or currency unit in which the Securities of such series are denominated, the denominations in which Securities of such series shall be issuable;

(11) if other than the principal amount thereof, the portion of the principal amount of Securities of such series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 7.1 or provable in bankruptcy pursuant to Section 7.2;

(12) whether payment of the principal of, premium, if any, and interest, if any, on the Securities of such series shall be with or without deduction for taxes, assessments or governmental charges, and with or without reimbursement of taxes, assessments or governmental charges paid by Holders;

(13) any Events of Default with respect to the Securities of such series, if not set forth herein;

(14) if other than the rate of interest stated in the title of the Securities of such series, the applicable Overdue Rate;

(15) in case the Securities of such series do not bear interest, the applicable dates for the purpose of clause (a) of Section 7.13;

(16) whether the Securities of such series are to be issued as Registered Securities (with or without Coupons) or Unregistered Securities or both, and, if Unregistered Securities or Coupon Securities are issued, whether Unregistered Securities or Coupon Securities of such series may be exchanged for Registered Securities or Fully Registered Securities of such series and whether Registered Securities or Fully Registered Securities of such series may be exchanged for Unregistered Securities of such series and the circumstances under which and the place or places where and such exchanges, if permitted, may be made;

(17) the currency or currencies, or currency unit or currency units, whether in Dollars or a Foreign Currency or currency unit, in which the principal of, and premium, if any, and interest, if any, on the Securities of such series or any other amounts payable with respect thereto, including, without limitation, Coupons, are to be denominated, payable, redeemable or repurchaseable, as the case may be, and whether such principal, premium, if any, and interest, if any, payable otherwise than

in Dollars may, at the option of the holders of any Security of such series, also be payable in Dollars;

(18) if other than as set forth in Section 13.1, provisions for the satisfaction and discharge of the indebtedness represented by the Securities of such series;

(19) whether the Securities of such series are issuable as a Global Security and, in such case, the identity of the Depository for such series;

(20) if the amount of payment of principal of (and premium, if any) or interest on the Securities of such series may be determined with reference to an index, formula or other method based on a coin, currency, or currency unit other than that in which the Securities are stated to be payable or otherwise, the manner in which such amounts shall be determined;

(21) any other terms of such series (which terms shall not be inconsistent with the provisions of this Indenture); and

(22) any trustees, authenticating or paying agents, warrant agents, transfer agents or registrars with respect to the Securities of such series, and, if the Securities of such series are to be denominated and payable in any currency other than Dollars, the initial Dollar Determination Agent.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the authority granted in such resolution of the Board of Directors of the Issuer or in any such indenture supplemental thereto.

SECTION 3.2. Form and Denominations. In the absence of any specification pursuant to Section 3.1 with respect to the Securities of any series, the Securities of such series shall be issuable as Fully Registered Securities in denominations of \$1,000 and any integral multiple thereof, and shall be payable in Dollars.

SECTION 3.3. Authentication, Dating and Delivery of Securities. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Securities of any series, with appropriate Coupons, if any, attached thereto, executed by the Issuer to the Trustee for authentication. Except as otherwise provided in this Article Three, the Trustee shall thereupon authenticate and deliver, or

cause to be authenticated and delivered, said Securities to or upon Issuer Order, without any further action by the Issuer. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, prior to the initial authentication of such Securities, and (subject to Section 8.1) shall be fully protected in relying upon:

(1) a Board Resolution of the Issuer relating thereto and, if applicable, an appropriate record of any action taken pursuant to such Resolution, in each case certified by the Secretary or an Assistant Secretary of the Issuer;

(2) an executed supplemental indenture, if any, relating thereto;

(3) an Officers' Certificate of the Issuer which shall state that all conditions precedent provided for in this Indenture relating to the issuance of such Securities have been complied with, that no Event of Default with respect to any series of Securities has occurred and is continuing and that the issuance of such Securities does not constitute and will not result in (i) any Event of Default or any event or condition, which, upon the giving of notice or the lapse of time or both, would become an Event of Default or (ii) any default under the provisions of any other instrument or agreement by which the Issuer is bound;

(4) an Opinion of Counsel, which shall state

(a) that the form and the terms of such Securities and Coupons, if any, have been established by or pursuant to the authority granted in a Board Resolution of the Issuer delivered to the Trustee pursuant to subparagraph (a) above or by a supplemental indenture delivered to the Trustee pursuant to subparagraph (b) above as provided by Section 3.1 and in accordance with the provisions of this Indenture;

(b) that such Securities, when authenticated and delivered by the Trustee and issued by the Issuer in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute (together with the Coupons, if any appertaining thereto) valid and binding obligations of the Issuer enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles;

(c) that the Issuer has the corporate power to issue such Securities and Coupons, if any and has duly taken all necessary corporate action with respect to such issuance;

(d) that the issuance of such Securities and Coupons, if any, will not contravene the charter or by-laws of the Issuer or result in any violation of any of the terms or provisions of any law or regulation or of any indenture, mortgage or other agreement known to such Counsel by which the Issuer or any of its Subsidiaries is bound;

(e) that all laws and requirements in respect of the execution and delivery by the Issuer of the Securities and Coupons, if any, and the related supplemental indenture, if any, have been complied with and that authentication and delivery of such Securities and Coupons, if any, and the execution and delivery of the related supplemental indenture, if any, by the Trustee will not violate the terms of the Indenture; and

(f) such other matters as the Trustee may reasonably request; and

(5) In the event the Guarantee pursuant to Article Fourteen hereof is applicable, an Opinion of Counsel to the Guarantor, which shall state

(a) that such Guarantee will constitute a valid and binding obligation of the Guarantor enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles;

(b) that the Guarantor has the corporate power to guarantee the Securities and has duly taken all necessary corporate action with respect thereto; and

(c) that such Guarantee will not contravene the charter or by-laws of the Guarantor or result in any violation of any of the terms or provisions of any law or regulation or of any indenture, mortgage or other agreement known to such Counsel by which the Guarantor or any of its Subsidiaries is bound.

Notwithstanding the provisions of Section 3.1 and of this Section 3.3, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate or supplemental indenture otherwise required pursuant to Section 3.1 or the Issuer Order, Officers' Certificate and Opinion

of Counsel required pursuant to this Section 3.3 at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the time of authentication upon original issuance of the first Security of such series to be issued; provided, however, that any subsequent request by the Issuer to the Trustee to authenticate Securities of such series shall constitute a representation and warranty by the Issuer that as of the date of such request the statements made in the Officers' Certificate delivered pursuant to Section 3.3(3) shall be true and correct on the date thereof as if made on and as of the date thereof.

The Trustee shall have the right to decline to authenticate and deliver any Securities together with any Coupons appertaining thereto under this Section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken by the Issuer or if the Trustee in good faith by its board of directors or board of trustees, executive committee, or a trust committee of directors or trustees and/or responsible officers shall determine that such action would expose the Trustee to personal liability to existing Holders.

Each Registered Security shall be dated the date of its authentication.

SECTION 3.4. Execution of Securities and Coupons. The Securities and Coupons, if any, appertaining thereto, shall be signed in the name of and on behalf of the Issuer by both (a) its chairman or any vice chairman or its president or any vice president and (b) by its treasurer or any associate or assistant treasurer or its secretary or any assistant secretary, under its corporate seal which may, but need not, be attested. Such signatures may be the manual or facsimile signatures of such officers. The seal of the Issuer may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced thereon. Typographical and other minor errors or defects in any such reproduction of the seal or any such signature shall not affect the validity or enforceability of any Security or Coupon that has been duly authenticated and delivered by the Trustee.

In case any officer of the Issuer who shall have signed any of the Securities or Coupons, if any, shall cease to be such officer before the Security or Coupons, if any, so signed shall be authenticated (in the case of the Securities) and delivered by or on behalf of the Trustee or disposed of by the Issuer, such Securities and Coupons, if any, appertaining thereto nevertheless may be authenticated (in the case of the Securities) and delivered or disposed of as though the person who signed such Securities or Coupons, if any, had not ceased to be such officer of the Issuer; and any Security or Coupon, if any, may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Security or Coupon, if any, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Indenture any such person was not such an officer.

The Trustee shall not authenticate or deliver any Coupon Security until any matured Coupons appertaining thereto have been detached and canceled, except as otherwise provided or permitted by this Indenture.

SECTION 3.5. Certificate of Authentication. No Security or Coupon appertaining thereto shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose, unless there appears on such Security a certificate of authentication substantially in the form hereinbefore recited, executed by or on behalf of the Trustee by manual signature. Such certificate by or on behalf of the Trustee upon any Security executed by the Issuer shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

SECTION 3.6. Registration; Registration of Transfer and Exchange. Subject to the conditions set forth below, Securities of any series may be exchanged for a like aggregate principal amount of Securities of the same series of other authorized denominations. Securities to be exchanged shall be surrendered together, in the case of Coupons Securities, with all unmatured Coupons and matured Coupons in default appertaining thereto, at the offices or agencies to be maintained by the Issuer for such purposes as provided in Section 4.2, and the Issuer shall execute and register and the Trustee or any Authenticating Agent shall authenticate and deliver in exchange therefor the Security or Securities which the Holder making the exchange shall be entitled to receive.

The Issuer shall keep or cause to be kept, at one of said offices or agencies, a register for each series of Securities issued hereunder which may include Registered Securities (hereinafter collectively referred to as the "Securities Register") in which, subject to such reasonable regulations as it may prescribe, and subject also to the provisions of Section 2.4, the Issuer shall provide for the registration of Registered Securities of such series and shall register the transfer of Registered Securities of such series as in this Article Three provided. The Securities Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. The Trustee and the Authenticating Agent are hereby appointed "Securities Registrars" for the purpose of registering Registered Securities and registering transfers of Registered Securities as herein provided. Subject to the provisions of Section 2.4, upon due presentment for registration of transfer of any Security of any series at any such office or agency, the Issuer shall execute and register and the Trustee or any Authenticating Agent shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Securities of the same series for an equal aggregate principal amount.

Subject to the provisions of Section 2.4, at the option of the Holder thereof, Securities of any series, whether Registered Securities or Unregistered

Securities, which by their terms are registrable as to principal only or as to principal and interest, may, to the extent and under the circumstances specified pursuant to Section 3.1, be exchanged for such Registered Securities with Coupons or Fully Registered Securities of such series, as may be issued by the terms thereof. Securities of any series, whether Registered Securities or Unregistered Securities, which by their terms provide for the issuance of Unregistered Securities, may not, except to the extent and under the circumstances specified pursuant to Section 3.1, be exchanged for Unregistered Securities of such series. Unregistered Securities of any series issued in exchange for Registered Securities of such series between the record date for such Registered Securities and the next Interest Payment Date will be issued without the Coupon relating to such Interest Payment Date, and Unregistered Securities surrendered in exchange for Registered Securities between such dates shall be surrendered without the Coupon relating to such Interest Payment Date.

Upon presentation for registration of any Unregistered Security of any series which by its terms is registrable as to principal, at the office or agency of the Issuer to be maintained as provided in Section 4.2, such Security shall be registered as to principal in the name of the Holder thereof, and such registration shall be noted on such Security. Any Security so registered shall be transferable on the Securities Register of the Issuer upon presentation of such Security at such office or agency for similar notation thereon, but, to the extent permitted by law, such security, may be discharged from registration by being in a like manner transferred to bearer whereupon transferability by delivery shall be restored. To the extent permitted by law, Unregistered Securities shall continue to be subject to successive registrations and discharges from registration at the option of the Holders thereof.

Unregistered Securities and Coupons shall be transferred by delivery. All Securities presented for registration of transfer or for exchange, redemption or payment shall (if so required by the Issuer or the Securities Registrar) be duly endorsed by, or be accompanied by, a written instrument or instruments of transfer in form satisfactory to the Issuer and the Securities Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

Each Security issued upon registration of transfer or exchange of Securities pursuant to this Section 3.6 shall be the valid obligation of the Issuer, evidencing the same indebtedness and entitled to the same benefits under this Indenture as the Security or Securities surrendered upon registration of such transfer or exchange.

No service charge shall be made to a Holder for any registration of transfer or exchange of Securities, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in

connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.10, 11.6 or 16.3 not involving any transfer.

The Issuer shall not be required (a) to issue, exchange or register the transfer of any Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of such series and ending at the close of business on the day of such mailing, or (b) to exchange or register the transfer of any Securities selected, called or being called for redemption except, in the case of any Security to be redeemed in part, the portion thereof not to be so redeemed. None of the Issuer, the Trustee, any Paying Agent or Securities Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

SECTION 3.7. Mutilated, Defaced, Destroyed, Lost and Stolen Securities or Coupons. In case any temporary or definitive Security, shall become mutilated, defaced or be destroyed, lost or stolen, and in the absence of notice to the Issuer or the Trustee that such Security or Coupon has been acquired by a bona fide purchaser, the Issuer in the case of a mutilated Security or Coupon shall, and in the case of a lost, stolen or destroyed Security or Coupon may in its discretion, execute, and upon an Issuer Request, the Trustee shall authenticate and deliver, a new Security with like Coupons, if any, as those attached to the mutilated, destroyed, lost or stolen Security (so that neither gain nor loss in interest shall result), of the same series, tenor and principal amount, and bearing a number, letter or other distinguishing symbol not contemporaneously outstanding, or a new Coupon, as appropriate, in exchange and substitution for the mutilated Security or Coupon, or in lieu of and in substitution for the Security or Coupon so destroyed, lost or stolen, or if any such Security or Coupon shall have matured or shall be about to mature, instead of issuing a substituted Security or Coupon, the Issuer may pay or authorize the payment of the same without surrender thereof (except in the case of a mutilated Security or Coupon); provided, however, that interest represented by Coupons shall be payable only upon presentation and surrender of those Coupons at an office or agency located outside of the United States, unless otherwise provided pursuant to Section 3.1. In every case the applicant for a substituted Security or Coupon shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Issuer and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security or Coupon and of the ownership thereof.

Upon the issuance of any substitute Security or Coupon under this Section 3.7, the Issuer may require the payment of a sum sufficient to cover any tax

or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee or any Authenticating Agent) connected therewith. In case any Security or Coupon which has matured or is about to mature or has been called for redemption in full shall become mutilated or defaced or be destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Security or Coupon, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Security or Coupon), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Every substitute Security or Coupon of any series issued pursuant to the provisions of this Section 3.7 by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Security or Coupon shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities and Coupons of such series duly authenticated and delivered hereunder. All Securities and Coupons shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions of this Section 3.7 are exclusive with respect to the replacement or payment of mutilated, defaced or destroyed, lost or stolen Securities and Coupons and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 3.8. Payment of Interest; Interest Rights Preserved. The Holder of any Fully Registered Securities at the close of business on any record date with respect to any Interest Payment Date shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding the cancellation of such Securities upon any transfer or exchange subsequent to the record date and prior to such Interest Payment Date, and, if provided for in the Board Resolution pursuant to Section 3.1, in the case of a Security issued between a record date and the initial Interest Payment Date relating to such record date, interest for the period beginning on the date of issue and ending on such initial Interest Payment Date shall be paid to the person to whom such Security shall have been originally issued. In the case of Coupon Securities, the Holder of any Coupon shall be entitled to receive the interest, if any, payable on such Interest Payment Date, upon surrender on such Interest Payment Date of the Coupon appertaining thereto in respect of such interest. Except as otherwise specified as contemplated by Section 3.1, for Fully Registered Securities

of a particular series the term "record date" as used in this Section 3.8 with respect to any Interest Payment Date shall mean the close of business on the last day of the calendar month preceding such Interest Payment Date if such Interest Payment Date is the fifteenth day of a calendar month and shall mean the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date if such Interest Payment Date is the first day of a calendar month, whether or not such day shall be a New York Business Day. At the option of the Issuer, payment of interest on any Fully Registered Security may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

If and to the extent the Issuer shall default in the payment of the interest due on such Interest Payment Date in respect of any Fully Registered Securities such defaulted interest shall be paid by the Issuer, at its election in each case, as provided in clause (1) or (2) below:

(1) The Issuer may make payment of any defaulted interest to the Holder of Fully Registered Securities at the close of business on a subsequent record date established by notice given by mail, first-class postage prepaid by or on behalf of the Issuer to such Holder at his address as it appears on the Security Register not less than 15 days preceding such subsequent record date, such record date to be not less than 10 days preceding the date of payment of such defaulted interest.

(2) The Issuer may make payment of any defaulted interest on the Fully Registered Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of such series may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Any defaulted interest payable in respect of a Coupon Security of any series shall be payable pursuant to such procedures as may be satisfactory to the Trustee in such manner that there is no discrimination between the Holders of Fully Registered Securities and Coupon Securities of such series, and notice of the payment date therefor shall be given by the Trustee, in the name and at the expense of the Issuer, in the manner provided in Section 15.4.

Subject to the foregoing provisions of this Section 3.8, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 3.9. Cancellation of Securities; Destruction Thereof. All Securities surrendered for payment, redemption, registration of transfer or exchange, or for credit against any payment in respect of a sinking or analogous fund, and all Coupons surrendered for payment or exchange, if surrendered to the Issuer or any Paying Agent or any Securities Registrar, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it, and no Securities or Coupons shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Securities and Coupons held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee for cancellation.

SECTION 3.10. Temporary Securities. Pending the preparation of definitive Securities for any series, the Issuer may execute and the Trustee shall authenticate and deliver temporary Securities for such series (printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee). Temporary Securities of any series shall be issuable in any authorized denomination, and substantially in the form of the definitive Securities of such series in lieu of which they are issued but with such omissions, insertions and variations as may be appropriate for temporary securities all as may be determined by the Issuer with the concurrence of the Trustee. Temporary Securities may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Temporary Securities may be issued as Registered Securities or Unregistered Securities, with or without one or more Coupons attached. Without unreasonable delay the Issuer shall execute and shall furnish definitive Securities of such series and thereupon temporary Securities of such series may be surrendered in exchange therefor without charge to a Holder at the Corporate Trust Office of the Trustee or, in the case of temporary Securities issued in respect of Unregistered Securities of any series, at the Corporate Trust Office of the Trustee located in a city specified elsewhere in this Indenture or pursuant to Section 3.1, and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of the same series with appropriate Coupons, if any, attached. Such exchange shall be made by the Issuer at its own expense and without any charge therefor to a Holder except that in case of any such exchange involving any registration of transfer the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series authenticated and delivered hereunder.

SECTION 3.11. Computation of Interest. Except as otherwise specified as contemplated by Section 3.1 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 3.12. Currency and Manner of Payments in Respect of Securities.

(a) With respect to Registered Securities of any series denominated in Dollars or Foreign Currency and with respect to Registered Securities of any series denominated in any currency unit, including, without limitation, ECU, with respect to which the Holders of Securities of such series have not made the election provided for in paragraph (b) below, the following payment provisions shall apply:

(1) Except as provided in subparagraph (a)(2) or in paragraph (e) below, payment of the principal of and premium, if any, on any Registered Security will be made at the Place of Payment by delivery of a check in the currency or currency unit in which the Security is payable on the payment date against surrender of such Registered Security, and any interest on any Fully Registered Security will be paid at the Place of Payment by mailing a check in the currency or currency unit in which such interest is payable to the Person entitled thereto at the address of such Person appearing on the Securities Register.

(2) Payment of the principal of, premium, if any, and (with respect to Fully Registered Securities only) interest on such Security may also, subject to applicable laws and regulations, be made at such other place or places as may be designated by the Issuer by any appropriate method.

(b) With respect to Registered Securities of any series denominated in any Foreign Currency or currency unit, including, without limitation, ECU, the following payment provisions shall apply, except as otherwise provided in paragraphs (e) and (f) below:

(1) It may be provided pursuant to Section 3.1 with respect to the Securities of such series that Holders shall have the option to receive payments of principal of, premium, if any, and (with respect to Fully Registered Securities only) interest, if any, on such Securities in any of the currencies which may be designated for such election in such Securities by delivering to the Trustee a written election, to be in form and substance satisfactory to the Trustee, not later than the close of business on the record date immediately preceding the applicable payment date. Such election will remain in effect for such Holder until

changed by the Holder by written notice to the Trustee (but any such change must be made not later than the close of business on the record date immediately preceding the next payment date to be effective for the payment to be made on such payment date and no such change may be made with respect to payments to be made on any Security of such series with respect to which notice of redemption has been given by the Issuer pursuant to Article Sixteen). Any Holder of any such Security, who shall not have delivered any such election to the Trustee not later than the close of business on the applicable record date will be paid the amount due on the applicable payment date in the relevant currency unit as provided in paragraph (a) of this Section 3.12. Payment of principal of and premium, if any, shall be made on the payment date against surrender of such Security. Payment of principal of, premium, if any, and (with respect to Fully Registered Securities only) interest, if any, shall be made at the Place of Payment by mailing at such location a check, in the applicable currency or currency unit, to the Person entitled thereto at the address of such Person appearing on the Securities Register.

(2) Payment of the principal of, premium, if any, and (with respect to Fully Registered Securities only) interest, if any, on such Security may also, subject to applicable laws and regulations, be made at such other place or places as may be designated by the Issuer by any appropriate method.

(c) Payment of the principal of, and premium, if any, on any Unregistered Security and of interest on any Coupon Security will be made unless otherwise specified pursuant to Section 3.1 or Section 11.1(f) by a Paying Agent at such place or places outside the United States as may be designated by the Issuer pursuant to any applicable laws or regulations by any appropriate method in the currency or currency unit in which the Security is payable (except as provided in paragraph (e) below) on the payment date against surrender of the Unregistered Security, in the case of payment of principal and premium, if any, or the relevant Coupon, in the case of payment of interest, if any. Except as provided in paragraph (e) below, payment with respect to Unregistered Securities and Coupons will be made by check, subject to any limitations on the methods of effecting such payment as shall be specified in the terms of the Security established as provided in Section 3.1 and Section 11.1(f) and as shall be required under applicable laws and regulations.

(d) Not later than the fourth Business Day after the record date for each payment date, the Trustee will deliver to the Issuer a written notice specifying, in the currency or currency unit in which each series of the Securities is payable, the

respective aggregate amounts of principal of, premium, if any, and interest, if any, on the Securities to be made on such payment date, specifying the amounts so payable in respect of Fully Registered Securities, Registered Securities with Coupons and Unregistered Securities and in respect of the Registered Securities as to which the Holders of Securities denominated in any currency unit shall have elected to be paid in another currency as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for pursuant to Section 3.1 and if at least one Holder has made such election, then, not later than the eighth Business Day following each record date the Issuer will deliver to the Trustee and each Paying Agent an Exchange Rate Officer's Certificate in respect of the Dollar or Foreign Currency payments to be made on such payment date. The Dollar or Foreign Currency amount receivable by Holders of Registered Securities denominated in a currency unit who have elected payment in such currency as provided in paragraph (b) above shall be determined by the Issuer on the basis of the applicable Official Currency Unit Exchange Rate set forth in the applicable Exchange Rate Officer's Certificate.

(e) If a Foreign Currency in which any of the Securities are denominated or payable ceases to be used both by the government of the country which issued such currency and for the settlement of transactions by public institutions of or within the international banking community, or if the ECU ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities, or if any other currency unit in which a Security is denominated or payable ceases to be used for the purposes for which it was established, then with respect to each date for the payment of principal of, or premium, if any, and interest, if any, on the applicable Securities denominated or payable in such Foreign Currency, the ECU or such other currency unit occurring after the last date on which such Foreign Currency, the ECU or such other currency unit was so used (the "Conversion Date"), the Dollar shall be the currency of payment for use on each such payment date. The Dollar amount to be paid by the Issuer to the Paying Agent and by the Paying Agent to the Holders of such Securities with respect to such payment date shall be the Dollar Equivalent of the Foreign Currency or, in the case of a currency unit, the Dollar Equivalent of the Currency Unit as determined by the Dollar Determination Agent as of the record date, if any, with respect to any Interest Payment Date or the fifteenth day before the Maturity of an installment of principal (the "Valuation Date"), in the manner provided in paragraph (g) or (h) below.

(f) If the Holder of a Registered Security denominated in a currency unit elects payment in a specified Foreign Currency as provided for by paragraph (b) and such Foreign Currency ceases to be used both by the government of the country which issued such currency and for the settlement of transactions by public institutions of or within the international banking community, such Holder shall receive payment in such currency unit, and if ECU ceases to be used both within the

European Monetary System and for the settlement of transactions by public institutions of or within the European Communities, or if any other such currency unit ceases to be used for the purposes for which it was established, such Holder shall receive payment in Dollars.

(g) The "Dollar Equivalent of the Foreign Currency" shall be determined by, and shall be set forth in a certificate delivered to the Issuer, the Trustee and each Paying Agent of, the Dollar Determination Agent as of each Valuation Date and shall be obtained by converting the specified Foreign Currency into Dollars at the Market Exchange Rate on the Valuation Date.

(h) The "Dollar Equivalent of the Currency Unit" shall be determined by, and shall be set forth in a certificate delivered to the Issuer, the Trustee and each Paying Agent of, the Dollar Determination Agent as of each Valuation Date and shall be the sum obtained by adding together the results obtained by converting the Specified Amount of each Component Currency into Dollars at the Market Exchange Rate on the Valuation Date for such Component Currency.

(i) For purposes of this Section 3.12, the following terms shall have the following meanings:

A "Component Currency" shall mean any currency which, on the Conversion Date, was a component currency of the relevant currency unit, including, but not limited to, the ECU.

A "Specified Amount" of a Component Currency shall mean the number of units or fractions thereof which such Component Currency represented in the relevant currency unit, including, but not limited to, the ECU, on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single currency, and such amount shall thereafter be a Specified Amount and such single currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by specified amounts of such two or more currencies, the sum of which, at the Market Exchange Rate of such two or more currencies on the date of such replacement, shall be equal to the Specified Amount of such former Component Currency divided by the number of currencies into which such Component Currency was divided, and such

amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies.

"Market Exchange Rate" shall mean for any currency the noon Dollar buying rate for that currency for cable transfers quoted in New York City on the Valuation Date as certified for customs purposes by the Federal Reserve Bank of New York. If such rates are not available for any reason with respect to one or more currencies for which an Exchange Rate is required, the Dollar Determination Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City or in the country of issue of the currency in question, or such other quotations as the Dollar Determination Agent shall deem appropriate. Unless otherwise specified by the Dollar Determination Agent, if there is more than one market for dealing in any currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency shall be that upon which a nonresident issuer of securities designated in such currency would purchase such currency in order to make payments in respect of such securities.

All decisions and determinations of the Dollar Determination Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit and the Market Exchange Rate shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Issuer, the Trustee, any Paying Agent and all Holders of the Securities and Coupons denominated or payable in the relevant currency or currency units. In the event that a Foreign Currency, ceases to be used both by the government of the country which issued such currency and for the settlement of transactions by public institutions of or within the international banking community, the Issuer, after learning thereof, will immediately give notice thereof to the Trustee (and the Trustee will promptly thereafter give notice in the manner provided in Section 15.4 to the Holders) specifying the Conversion Date. In the event the ECU ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities, or any other currency unit in which Securities or Coupons are denominated or payable, ceases to be used for the purposes for which it was established, the Issuer, after learning thereof, will immediately give notice thereof to the Trustee (and the Trustee will promptly thereafter give notice in the manner provided in Section 15.4 to the Holders) specifying the Conversion Date and the Specified Amount of each Component Currency on the Conversion Date. In the event of any subsequent change in any Component Currency as set forth in the definition of Specified Amount above, the Issuer, after learning thereof, will similarly give notice to the Trustee. The Trustee shall be fully justified and protected in relying and acting upon information received by it from the Issuer and the Dollar Determination Agent, if any, and shall

not otherwise have any duty or obligation to determine such information independently.

SECTION 3.13. Compliance with Certain Laws and Regulations. If any Unregistered Securities or Coupon Securities are to be issued in any series of Securities, the Issuer will use reasonable efforts to provide for arrangements and procedures designed pursuant to then applicable laws and regulations, if any, to ensure that such Unregistered Securities or Coupon Securities are sold or resold, exchanged, transferred and paid only in compliance with such laws and regulations and without adverse consequences to the Issuer.

ARTICLE FOUR

COVENANTS OF THE ISSUER

The Issuer covenants and agrees for the benefit of each series of Securities that on and after the date of execution of this Indenture and, except as otherwise provided, so long as any of the Securities of such series remain outstanding, as to which the Issuer remains an obligor:

SECTION 4.1. Payment of Securities. The Issuer will duly and punctually pay or cause to be paid (in the Dollars or the Foreign Currency or currency unit in which the Securities of such series and Coupons, if any, appertaining thereto are payable, except as otherwise specified as contemplated by Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) of this Indenture) the principal of, the premium, if any, and interest, if any, on the Securities of such series at the place or places, at the respective times and in the manner provided in such Securities, in any Coupons appertaining thereto, and in this Indenture. Each installment of interest on the Registered Securities of any series may be paid by mailing checks for such interest payable to or upon the written order of the Holders of Registered Securities entitled thereto as they shall appear on the registry books of the Issuer.

The interest on Coupon Securities shall be payable only upon presentation and surrender of the several Coupons for such interest installments as are evidenced thereby as they severally mature. The interest, if any, on any temporary Unregistered Security shall be paid, as to any installment of interest evidenced by a Coupon attached thereto, if any, only upon presentation and surrender of such Coupon, and, as to other installments of interest, if any, only upon presentation of such Security for notation thereon of the payment of such interest.

SECTION 4.2. Offices or Agency. So long as any of the Securities remain Outstanding, the Issuer will maintain in the Borough of Manhattan, The City

of New York, New York, an office or agency where Registered Securities of such series may be presented or surrendered for payment, where Securities of such series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Issuer in respect of the Securities of such series and this Indenture may be served, which office or agency, unless otherwise set forth in, or pursuant to, a Board Resolution or supplemental indenture relating to the Securities of such series, shall initially be the principal corporate trust facility of the Trustee located in the Borough of Manhattan, The City of New York, New York, and, if, the Trustee shall cease to maintain such corporate trust facility, such office or agency shall be the principal corporate trust office of the Authenticating Agent designated pursuant to Section 8.14 hereof. So long as any Coupon Securities or Unregistered Securities of any series remain Outstanding, the Issuer will (except as specified pursuant to Section 3.1 or Section 11.1(f)) maintain one or more offices or agencies outside the United States in such city or cities as may be specified elsewhere in this Indenture or as contemplated by Section 3.1, with respect to such series, where Coupons appertaining to Securities of such series or Unregistered Securities of such series may be surrendered or presented for payment, or surrendered for exchange pursuant to Section 3.6 and where notices and demands to or upon the Issuer in respect of Coupons appertaining to Securities of such series or the Unregistered Securities of such series or of this Indenture may be served. The Issuer will give prompt written notice to the Trustee of the location, and any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain such required office or agency or shall fail to furnish the Trustee with the address thereof, presentations, surrenders, notices and demands in respect of Registered Securities may be made or served at the Corporate Trust Office of the Trustee and the Corporate Trust Office of any Authenticating Agent appointed hereunder, and presentations, surrenders, notices and demands in respect of Coupons appertaining to Securities of any series and Unregistered Securities may be made or served at the Corporate Trust Office of the Trustee in the other city or cities referred to above; and the Issuer hereby appoints the Trustee and any Authenticating Agent appointed hereunder its agents to receive all such presentations, surrenders, notices, and demands. The Issuer agrees to appoint and continue to maintain the appointment of a Dollar Determination Agent, if necessary, to perform the functions set forth herein for the Dollar Determination Agent.

The Issuer may also from time to time designate one or more other offices or agencies (in or outside The City of New York) where the Securities of such series may be presented or surrendered for any or all of such purposes, and may from time to time rescind such designation; provided, however, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain for such purposes an office or agency in the Borough of Manhattan, The City of New York, and, except as otherwise specified pursuant to Section 3.1 or Section 11.1(f), so long

as any Unregistered Securities or Coupon Securities remain Outstanding, one or more offices or agencies outside the United States.

SECTION 4.3. Appointment To Fill a Vacancy in Office of Trustee. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 8.10, a Trustee, so that there shall at all times be a Trustee with respect to each series of Securities hereunder.

SECTION 4.4. Paying Agents. Whenever the Issuer shall appoint a Paying Agent other than the Trustee with respect to the Securities of any series, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section:

(a) that it will hold all sums received by it as such Paying Agent for the payment of the principal of, and the premium, if any, and interest, if any, on the Securities of such series (whether such sums have been paid to it by the Issuer or by any other obligor on the Securities of such series) in trust for the benefit of the Holders of the Securities of such series, and the Coupons, if any, appertaining thereto or of the Trustee;

(b) that it will give the Trustee notice of any failure by the Issuer (or by any other obligor on the Securities of such series) to make any payment of the principal of, or the premium, if any, or interest, if any, on the Securities of such series when the same shall be due and payable; and

(c) that at any time during the continuance of any such failure, upon the written request of the Trustee it will forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

If the Issuer shall act as its own Paying Agent with respect to the Securities of any series, it will, on or before each due date of the principal of, premium, if any, or interest, if any, on the Securities of such series and the Coupons, if any, appertaining thereto, set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such series and the Coupons, if any, appertaining thereto a sum (in the currency or currency unit in which the Securities of such series are denominated, except as otherwise specified as contemplated by Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) of this Indenture) sufficient to pay such principal, premium, if any, or interest, if any, so becoming due. The Issuer will promptly notify the Trustee of any failure to take such action.

Whenever the Issuer shall have one or more Paying Agents with respect to the Securities of any series, it will, prior to the due date of the principal of, premium, if any, or interest, if any, on the Securities of such series and the Coupons, if any, appertaining thereto, deposit with a designated Paying Agent a sum (in the currency or currency unit described in the preceding paragraph) sufficient to pay the principal, premium, if any, or interest, if any, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium, if any, or interest, if any, and (unless such Paying Agent is the Trustee) the Issuer will promptly notify the Trustee at its Corporate Trust Office of its failure so to act.

Anything in this Section to the contrary notwithstanding, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such series by the Issuer or any Paying Agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 13.4 and 13.5.

SECTION 4.5. Limitation on Sale and Lease-Backs. On and after the Completion of the Distribution, the Issuer will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any person providing for the leasing by the Issuer or any Restricted Subsidiary of any Principal Property (except for temporary leases for a term of not more than three years and except for leases between the Issuer and a Restricted Subsidiary or between Restricted Subsidiaries), which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such person more than 120 days after the acquisition thereof or the completion of construction and commencement of full operation thereof, unless either (i) the Issuer shall apply an amount equal to the greater of the Fair Value of such property or the net proceeds of such sale, within 120 days of the effective date of any such arrangement, to the retirement (other than any mandatory retirement or by way of payment at maturity) of Securities or indebtedness ranking on a parity with the Securities or to the acquisition, construction, development or improvement of properties, facilities or equipment used for operating purposes which are, or upon such acquisition, construction, development or improvement will be, a Principal Property or a part thereof; or (ii) at the time of entering into such arrangement, such Principal Property could have been subjected to a mortgage securing indebtedness of the Issuer or a Restricted Subsidiary in a principal amount equal to the Capitalized Lease-Back Obligation with respect to such Principal Property under clause (1) of Section 4.6 without also securing the Securities pursuant to such Section 4.6.

SECTION 4.6. Limitations on Liens. On and after the Completion of the Distribution, the Issuer will not, and will not permit any Restricted Subsidiary to, create, suffer to be created, or assume (directly or indirectly) any mortgage, pledge or other lien upon any Principal Property, unless effective provision is made by the Issuer to secure directly the Securities of all series by such mortgage, pledge or other lien, equally and ratably with any and all other indebtedness thereby secured, so long as any such indebtedness shall be so secured; provided, however, that this Section shall not apply to any of the following:

(a) any mortgage, pledge or other lien on any Principal Property hereafter acquired, constructed or improved by the Issuer or any Restricted Subsidiary which is created or assumed to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, or any mortgage, pledge or other lien on any Principal Property existing at the time of acquisition thereof; provided, however, that in the case of any such acquisition the mortgage, pledge or other lien shall not extend to any Principal Property theretofore owned by the Issuer or any Restricted Subsidiary;

(b) any mortgage, pledge or other lien existing upon any property of a company which is merged with or into or is consolidated into, or substantially all the assets or shares of capital stock of which are acquired by, the Issuer or a Restricted Subsidiary, at the time of such merger, consolidation or acquisition; provided that such mortgage, pledge or other lien does not extend to any other Principal Property, other than improvements to the property subject to such mortgage, pledge or other lien;

(c) any pledge or deposit to secure payment of workmen's compensation or insurance premiums, or in connection with tenders, bids, contracts (other than contracts for the payment of money) or leases;

(d) any pledge of, or other lien upon, any assets as security for the payment of any tax, assessment or other similar charge by any governmental authority or public body, or as security required by law or governmental regulation as a condition to the transaction on any business or the exercise of any privilege or right;

(e) any pledge or lien necessary to secure a stay of any legal or equitable process in a proceeding to enforce a liability or obligation contested in good faith by the Issuer or a Restricted Subsidiary or required in connection with the institution by the Issuer or a Restricted Subsidiary of any legal or equitable proceeding to enforce a right or to

obtain a remedy claimed in good faith by the Issuer or a Restricted Subsidiary, or required in connection with any order or decree in any such proceeding or in connection with any contest of any tax or other governmental charge; or the making of any deposit with or the giving of any form of security to any governmental agency or any body created or approved by law or governmental regulation in order to entitle the Issuer or a Restricted Subsidiary to maintain self-insurance or to participate in any fund in connection with workmen's compensation, unemployment insurance, old age pensions or other social security or to share in any provisions or other benefits provided for companies participating in any such arrangement or for liability on insurance of credits or other risks;

(f) any mechanics', carriers', workmen's, repairmen's or other like liens, if arising in the ordinary course of business, in respect of obligations which are not overdue or liability for which is being contested in good faith by appropriate proceedings;

(g) any lien or encumbrance on property in favor of the United States of America, or of any agency, department or other instrumentality thereof, to secure partial, progress or advance payments pursuant to the provisions of any contract;

(h) any mortgage, pledge or other lien securing any indebtedness incurred in any manner to finance or recover the cost to the Issuer or any Restricted Subsidiary of any physical property, real or personal, which prior to or simultaneously with the creation of such indebtedness shall have been leased by the Issuer or a Restricted Subsidiary to the United States of America or a department or agency thereof at an aggregate rental, payable during that portion of the initial term of such lease (without giving effect to any options of renewal or extension) which shall be unexpired at the date of the creation of such indebtedness, sufficient (taken together with any amounts required to be paid by the lessee to the lessor upon any termination of such lease) to pay in full at the stated maturity date or dates thereof the principal of and the interest on such indebtedness;

(i) any mortgage, pledge or other lien securing indebtedness of a Restricted Subsidiary to the Issuer or a Restricted Subsidiary, provided that in the case of any sale or other disposition of such indebtedness by the Issuer or such Restricted Subsidiary, such sale or other disposition shall be deemed to constitute the creation of another mortgage, pledge or other lien;

(j) any mortgage, pledge or other lien affecting property of the Issuer or any Restricted Subsidiary (i) securing indebtedness of the United States of America or a State thereof (or any instrumentality or agency of either thereof) issued in connection with a pollution control or abatement program required in the opinion of the Issuer to meet environmental criteria with respect to any facility of the Issuer or any Restricted Subsidiary and the proceeds of which indebtedness have financed the cost of acquisition of such program;

(k) the renewal, extension, replacement or refunding of any mortgage, pledge, lien, deposit, charge or other encumbrance permitted by the foregoing provisions of this Section upon the same property theretofore subject thereto, or the renewal, extension, replacement or refunding of the amount secured thereby, provided that in each case such amount outstanding at that time shall not be increased;

(l) any mortgage, pledge or liens affecting property of the Issuer or any Restricted Subsidiary existing on the date of this Indenture; or

(m) any other mortgage, pledge or other lien, provided that immediately after the creation or assumption of such mortgage, pledge or other lien, the total of (i) the aggregate principal amount of indebtedness of the Issuer and Restricted Subsidiaries secured by all mortgages, pledges and other liens created or assumed under the provisions of this clause (m), plus (ii) the aggregate amount of Capitalized Lease-Back Obligations of the Issuer and Restricted Subsidiaries under the entire unexpired terms of all leases entered into in connection with sale and lease-back transactions which would have been precluded by the provisions of Section 4.5 but for the satisfaction of the condition set forth in clause (ii) thereof, shall not exceed an amount equal to 15% of Consolidated Net Tangible Assets.

Neither (a) the lease of any property by the Issuer or a Restricted Subsidiary, and rental obligations with respect thereto (whether or not arising out of sale and lease-back of properties and whether or not in accordance with generally accepted principles of accounting such property is carried as an asset and such rental obligations are carried as indebtedness on the Issuer's or a Restricted Subsidiary's balance sheet) nor (b) the sale or other transfer of (i) timber or other natural resources in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such resources, or (ii) any other interest in property of the character commonly referred to as a "production payment", shall in any event be deemed to be the creation of a mortgage, pledge or other lien.

SECTION 4.7. Certificates to Trustee. The Issuer will, on or before April 1 in each year, commencing with the first calendar year following the issuance of Securities of any series under this Indenture, file with the Trustee a certificate of the principal executive officer, the principal financial officer or the principal accounting officer of the Issuer, covering the period from the date of issuance of such Securities to the end of the calendar year in which such Securities were issued, in the case of the first such certificate, and covering the preceding calendar year in the case of each subsequent certificate, and stating whether or not, to the knowledge of the signer, the Issuer has complied with all conditions and covenants on its part contained in this Indenture, and, if the signer has obtained knowledge of any default by the Issuer in the performance, observance or fulfillment of any such condition or covenant, specifying each such default and the nature thereof. For the purpose of this Section 4.7, compliance shall be determined without regard to any grace period or requirement of notice provided pursuant to the terms of this Indenture.

ARTICLE FIVE

COVENANTS OF THE GUARANTOR

The Guarantor covenants and agrees for the benefit of each series of Securities that on and after the date of execution of this Indenture and so long as any of the Securities of such series remain outstanding, which are entitled to the Guarantee:

SECTION 5.1. Limitation on Sale and Lease-Backs. The Guarantor will not, nor will it permit any Domestic Subsidiary to, enter into any arrangement with any person providing for the leasing by the Guarantor or any Domestic Subsidiary of any Principal Property (except for temporary leases for a term of not more than three years and except for leases between the Guarantor and a Domestic Subsidiary or between Domestic Subsidiaries), which property has been or is to be sold or transferred by the Guarantor or such Domestic Subsidiary to such person more than 120 days after the acquisition thereof or the completion of construction and commencement of full operation thereof, unless either (i) the Guarantor shall apply an amount equal to the greater of the Fair Value of such property or the net proceeds of such sale, within 120 days of the effective date of any such arrangement, to the retirement (other than any mandatory retirement or by way of payment at maturity) of Securities or indebtedness ranking on a parity with the Securities or to the acquisition, construction, development or improvement of properties, facilities or equipment used for operating purposes which are, or upon such acquisition, construction, development or improvement will be, a Principal Property or a part thereof; or (ii) at the time of entering into such arrangement, such Principal Property could have been subjected to a mortgage securing indebtedness of the Guarantor or a Domestic Subsidiary in a principal amount equal to the Capitalized Lease-Back Obligation with respect to such

Principal Property under clause (1) of Section 5.2 without also securing the Securities pursuant to such Section 5.2.

SECTION 5.2. Limitations on Liens. The Guarantor will not, and will not permit any Domestic Subsidiary to, create, suffer to be created, or assume (directly or indirectly) any mortgage, pledge or other lien upon any Principal Property, unless effective provision is made by the Guarantor to secure directly the Securities of all series by such mortgage, pledge or other lien, equally and ratably with any and all other indebtedness thereby secured, so long as any such indebtedness shall be so secured; provided, however, that this Section shall not apply to any of the following:

(a) any mortgage, pledge or other lien on any Principal Property hereafter acquired, constructed or improved by the Guarantor or any Domestic Subsidiary which is created or assumed to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, or any mortgage, pledge or other lien on any Principal Property existing at the time of acquisition thereof; provided, however, that in the case of any such acquisition the mortgage, pledge or other lien shall not extend to any Principal Property theretofore owned by the Guarantor or any Domestic Subsidiary;

(b) any mortgage, pledge or other lien existing upon any property of a company which is merged with or into or is consolidated into, or substantially all the assets or shares of capital stock of which are acquired by, the Guarantor or a Domestic Subsidiary, at the time of such merger, consolidation or acquisition; provided that such mortgage, pledge or other lien does not extend to any other Principal Property, other than improvements to the property subject to such mortgage, pledge or other lien;

(c) any pledge or deposit to secure payment of workmen's compensation or insurance premiums, or in connection with tenders, bids, contracts (other than contracts for the payment of money) or leases;

(d) any pledge of, or other lien upon, any assets as security for the payment of any tax, assessment or other similar charge by any governmental authority or public body, or as security required by law or governmental regulation as a condition to the transaction on any business or the exercise of any privilege or right;

(e) any pledge or lien necessary to secure a stay of any legal or equitable process in a proceeding to enforce a liability or obligation

contested in good faith by the Guarantor or a Domestic Subsidiary or required in connection with the institution by the Guarantor or a Domestic Subsidiary of any legal or equitable proceeding to enforce a right or to obtain a remedy claimed in good faith by the Guarantor or a Domestic Subsidiary, or required in connection with any order or decree in any such proceeding or in connection with any contest of any tax or other governmental charge; or the making of any deposit with or the giving of any form of security to any governmental agency or any body created or approved by law or governmental regulation in order to entitle the Guarantor or a Domestic Subsidiary to maintain self-insurance or to participate in any fund in connection with workmen's compensation, unemployment insurance, old age pensions or other social security or to share in any provisions or other benefits provided for companies participating in any such arrangement or for liability on insurance of credits or other risks;

(f) any mechanics', carriers', workmen's, repairmen's or other like liens, if arising in the ordinary course of business, in respect of obligations which are not overdue or liability for which is being contested in good faith by appropriate proceedings;

(g) any lien or encumbrance on property in favor of the United States of America, or of any agency, department or other instrumentality thereof, to secure partial, progress or advance payments pursuant to the provisions of any contract;

(h) any mortgage, pledge or other lien securing any indebtedness incurred in any manner to finance or recover the cost to the Guarantor or any Domestic Subsidiary of any physical property, real or personal, which prior to or simultaneously with the creation of such indebtedness shall have been leased by the Guarantor or a Domestic Subsidiary to the United States of America or a department or agency thereof at an aggregate rental, payable during that portion of the initial term of such lease (without giving effect to any options of renewal or extension) which shall be unexpired at the date of the creation of such indebtedness, sufficient (taken together with any amounts required to be paid by the lessee to the lessor upon any termination of such lease) to pay in full at the stated maturity date or dates thereof the principal of and the interest on such indebtedness;

(i) any mortgage, pledge or other lien securing indebtedness of a Domestic Subsidiary to the Guarantor or a Domestic Subsidiary, provided that in the case of any sale or other disposition of such indebt-

edness by the Guarantor or such Domestic Subsidiary, such sale or other disposition shall be deemed to constitute the creation of another mortgage, pledge or other lien;

(j) any mortgage, pledge or other lien affecting property of the Guarantor or any Domestic Subsidiary securing indebtedness of the United States of America or a State thereof (or any instrumentality or agency of either thereof) issued in connection with a pollution control or abatement program required in the opinion of the Guarantor to meet environmental criteria with respect to manufacturing or processing operations of the Guarantor or any Domestic Subsidiary and the proceeds of which indebtedness have financed the cost of acquisition of such program;

(k) the renewal, extension, replacement or refunding of any mortgage, pledge, lien, deposit, charge or other encumbrance permitted by the foregoing provisions of this Section upon the same property theretofore subject thereto, or the renewal, extension, replacement or refunding of the amount secured thereby, provided that in each case such amount outstanding at that time shall not be increased; or

(l) any other mortgage, pledge or other lien, provided that immediately after the creation or assumption of such mortgage, pledge or other lien, the total of (i) the aggregate principal amount of indebtedness of the Guarantor and Domestic Subsidiaries secured by all mortgages, pledges and other liens created or assumed under the provisions of this clause (l), plus (ii) the aggregate amount of Capitalized Lease-Back Obligations of the Guarantor and Domestic Subsidiaries under the entire unexpired terms of all leases entered into in connection with sale and lease-back transactions which would have been precluded by the provisions of Section 5.1 but for the satisfaction of the condition set forth in clause (ii) thereof, shall not exceed an amount equal to 5% of Consolidated Net Tangible Assets.

Neither (a) the lease of any property by the Guarantor or a Domestic Subsidiary, and rental obligations with respect thereto (whether or not arising out of sale and lease-back of properties and whether or not in accordance with generally accepted principles of accounting such property is carried as an asset and such rental obligations are carried as indebtedness on the Guarantor's or a Domestic Subsidiary's balance sheet) nor (b) the sale or other transfer of (i) timber or other natural resources in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such resources, or (ii) any other interest in property of the character

commonly referred to as a "production payment", shall in any event be deemed to be the creation of a mortgage, pledge or other lien.

SECTION 5.3. Certificates to Trustee. The Guarantor will, on or before April 1 in each year, commencing with the first calendar year following the issuance of Securities of any series under this Indenture, file with the Trustee a certificate of the principal executive officer, the principal financial officer or the principal accounting officer of the Guarantor, covering the period from the date of issuance of such Securities to the end of the calendar year in which such Securities were issued, in the case of the first such certificate, and covering the preceding calendar year in the case of each subsequent certificate, and stating whether or not, to the knowledge of the signer, Guarantor has complied with all conditions and covenants on its part contained in this Indenture, and, if the signer has obtained knowledge of any default by the Guarantor in the performance, observance or fulfillment of any such condition or covenant, specifying each such default and the nature thereof. For the purpose of this Section 5.4, compliance shall be determined without regard to any grace period or requirement of notice provided pursuant to the terms of this Indenture.

ARTICLE SIX

SECURITYHOLDERS LISTS AND REPORTS BY THE ISSUER AND THE TRUSTEE

SECTION 6.1. Issuer To Furnish Trustee Information as to Names and Addresses of Securityholders. The Issuer covenants and agrees that it will furnish or cause to be furnished to the Trustee for the Securities of each series a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of the Registered Securities of each series:

(a) semiannually and not more than 15 days after each record date for the payment of interest, if any, on such Securities of such series, as of such record date, and on dates to be determined pursuant to Section 3.1 for non-interest bearing Securities of such series in each year, and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of the Registered Securities of such series, as of the respective record dates therefor (and on dates to be determined pursuant to Section 3.1 if the Securities of such series do not bear interest) as of

a date not more than 15 days prior to the time such information is furnished and need not include information received after such date;

provided that if and so long as the Trustee shall be the Securities Registrar for such series, such list shall not be required to be furnished.

The Issuer shall also be required to furnish such information which is known to it concerning the Holders of Coupons and Unregistered Securities; provided, however, that the Issuer shall have no obligation to investigate any matter relating to any Holder of an Unregistered Security or any Holder of a Coupon.

SECTION 6.2. Preservation and Disclosure of Securityholders Lists.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders of each series of Securities (1) contained in the most recent list furnished to it as provided in Section 6.1, (2) maintained by the Trustee in its capacity as Paying Agent for such series (if so acting) and of Security Registrar for such series, and (3) filed with it within two preceding years pursuant to the provisions of paragraph (2) of subsection (c) of Section 6.4.

The Trustee for any series of the Securities may (1) destroy any list furnished to it as provided in Section 6.1 upon receipt of a new list so furnished, (2) destroy any information received by it as Paying Agent for such series (if so acting) hereunder upon delivery to itself as Trustee of a list containing the names and addresses of the Holders of Securities of such series obtained from such information since the delivery of the next previous list, if any, (3) destroy any list delivered to itself as Trustee which was compiled from information received by it as Paying Agent (if so acting) upon the receipt of a new list so delivered, and (4) destroy any information filed with it by Holders of Securities of such series for the purpose of receiving reports pursuant to the provisions of paragraph (2) of subsection (c) of Section 6.4, but not until two years after such information has been filed with it.

(b) In case three or more Holders of Securities (hereinafter referred to as "applicants") apply in writing to the Trustee and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Securities of a particular series (in which case at least three of the applicants must all hold Securities of such series) or with Holders of all Securities with respect to their rights under this Indenture or under such Securities and such application is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit,

then the Trustee shall, within five business days after the receipt of such application, as its election, either:

(i) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 6.2; or

(ii) inform such applicants as to the approximate number of Holders of Securities of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section 6.2, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of Securities of such series or all Holders of Securities of all series for which it is Trustee, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 6.2 a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Commission together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such series or all Holders of Securities of all series for which it is Trustee, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Securityholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every Holder of Securities, by receiving and holding the same, agrees with the Issuer and the Trustee that neither the Issuer nor the Trustee nor any Paying Agent shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in

accordance with the provisions of subsection (b) of this Section 6.2, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection (b).

SECTION 6.3. Reports by the Issuer. The Issuer covenants:

(a) to file with the Trustee for each series of Securities, within 15 days after the Issuer is required to file the same with the Commission, copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended; or, if the Issuer is not required to file information, documents, or reports pursuant to either of such Sections, then to file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents, and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934, as amended, in respect of a security listed and registered on a national exchange as may be prescribed from time to time in such rules and regulations;

(b) to file with the Trustee for each series of Securities and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents, and reports with respect to compliance by the Issuer with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations; and

(c) to transmit by mail to the Holders of Securities in the manner and to the extent provided in Section 6.4(c) and (d), within 30 days after the filing thereof with the Trustee for each series of Securities, such summaries of any information, documents and reports required to be filed by the Issuer pursuant to subsections (a) and (b) of this Section as may be required to be transmitted to such Holders by rules and regulations prescribed from time to time by the Commission.

SECTION 6.4. Reports by the Trustee. (a) On or before July 15 in each year following the date hereof, so long as any Securities are outstanding hereunder, the Trustee for each series of Securities shall transmit by mail as provided below to the Securityholders of such series, as hereinafter in this Section provided, a brief report dated as of the preceding May 15 with respect to any of the following events which may have occurred during the twelve months preceding the date of such report (but if no such event has occurred within such period, no report need be transmitted):

(i) any change to its eligibility under Section 8.9 and its qualifications under Section 8.8;

(ii) the creation of or any material change to a relationship specified in Section 310(b)(1) through Section 310(b)(10) of the Trust Indenture Act;

(iii) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1% of the principal amount of the Securities of any series Outstanding on the date of such report;

(iv) any change to the amount, interest rate, and maturity date of all other indebtedness owing by the Issuer (or by any other obligor on the Securities of any series) to the Trustee in its individual capacity on the date of such report, with a brief description of any property held as collateral security therefor, except any indebtedness based upon a creditor relationship arising in any manner described in Section 8.13(b)(2), (3), (4) or (6);

(v) any change to the property and funds, if any, physically in the possession of the Trustee (as such) on the date of such report;

(vi) additional issue of Securities of any series for which it is Trustee which the Trustee has not previously reported; and

(vii) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Securities of any series, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 7.11.

(b) The Trustee for each series of Securities shall transmit to the Securityholders of such series, as provided in subsection (c) of this Section, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, since the date of the last report transmitted pursuant to the

provisions of subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of this Indenture) for the reimbursement of which it claims or may claim a lien or charge prior to that of the Securities of any series on property or funds held or collected by it as Trustee and which it has not previously reported pursuant to this subsection (b), except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of Securities of such series Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section shall be transmitted by mail:

(i) to all registered Holders of Registered Securities, as the names and addresses of such Holders appear in the applicable Securities Register;

(ii) to such Holders of Securities of any series as have, within two years preceding such transmission, held their names and addresses with the Trustee for such series for that purpose; and

(iii) except in the cases of reports pursuant to subsection (b) of this Section 6.4, to each Holder of a Security of any series whose name and address is preserved at the time by the Trustee for such series, as provided in subsection (a) of Section 6.2.

(d) A copy of each such report shall, at the time of such transmission to Securityholders of any series, be furnished to the Issuer and be filed by the Trustee for such series with each stock exchange upon which the Securities of any series are listed and also with the Commission. The Issuer agrees to notify the Trustee for each series when and as the Securities of such series become admitted to trading on any national securities exchange.

ARTICLE SEVEN

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

SECTION 7.1. Event of Default Defined; Acceleration of Maturity; Waiver of Default. "Event of Default", with respect to the Securities of any series, wherever used herein, means each one of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless such event is either

inapplicable to a particular series or is specifically deleted or modified in the applicable Board Resolution or in the supplemental indenture under which such series of Securities is issued, as the case may be, as contemplated by Section 3.1:

(a) default in the payment of any installment of interest upon any of the Securities of such series as and when the same shall become due and payable and continuance of such default for a period of 30 days; or

(b) default in the payment of all or any part of the principal of or the premium, if any, on any of the Securities of such series as and when the same shall become due and payable, either at maturity, upon redemption, by declaration or otherwise; or

(c) default in the deposit of any sinking fund payment when and as due and payable by the terms of the Securities of such series; or

(d) default in the performance or observance of any other covenant or agreement of the Issuer or the Guarantor in respect of the Securities of such series (other than a covenant or agreement in respect of the Securities of such series a default in whose performance or observance is elsewhere in this Section specifically dealt with) and continuance of such default for a period of 60 days after there has been given, by registered or certified mail, to the Issuer or the Guarantor, as the case may be, by the Trustee, or to the Issuer or the Guarantor, as the case may be, and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of all series affected thereby, a written notice specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(e) an event of default, as defined in any indenture or instrument evidencing or under which the Issuer has at the date of this Indenture or shall hereafter have outstanding at least \$10,000,000 aggregate principal amount of indebtedness for borrowed money, shall happen and be continuing and such indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration shall not be rescinded or annulled within 30 days after notice thereof shall have been given to the Issuer by the Trustee (if such event be known to it) or to the Issuer and the Trustee by the holders of at least 25% in aggregate principal amount of the Securities at the time outstanding; provided, however, that, if such event of default under such indenture or instrument shall be remedied or cured by the Issuer or waived by the holders of such indebtedness, then the Event of Default

hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived, without further action upon the part of either the Trustee or any of the Securityholders; or

(f) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Guarantor, prior to its release under Section 14.2, or the Issuer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor, prior to its release under Section 14.2, or the Issuer or for any substantial part of its property, or ordering the winding up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(g) the commencement by the Issuer or the Guarantor of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Issuer or for any substantial part of its property, or the making by it of any assignment for the benefit of its creditors; or

(h) the Guarantee of the Debt Securities by the Guarantor shall, at any time, cease to be in full force and effect for any reason other than the satisfaction in full of all obligations hereunder and discharge of this Indenture, and other than as a result of the release of the Guarantee in accordance with the terms of this Indenture, or shall be declared invalid or unenforceable by a court of competent jurisdiction or governmental authority; or if the Issuer, the Guarantor or any Restricted Subsidiary shall assert, in any pleading in a court of competent jurisdiction, that any Guarantee is invalid or unenforceable; or

(i) any other Event of Default established by or pursuant to a Board Resolution or one or more indentures supplemental hereto as applicable to the Securities of such series.

If an Event of Default described in clause (a), (b), (c), (d) or (i) above (if the Event of Default under clause (d) or (i) is with respect to less than all series of Securities then Outstanding) occurs and is continuing, then and in each and every such case,

unless the principal of all of the Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities of such series then Outstanding hereunder (each such series voting as a separate class), by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal as may be specified in the terms of such series) of all Securities of such series and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clause (d), (e), (f), (g), (h) or (i) above (if the Event of Default under clause (d) or (i) is with respect to all series of Securities then Outstanding) occurs and is continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of all the Securities then Outstanding hereunder (treated as one class), by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if any Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of all the Securities then Outstanding and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

The foregoing provisions, however, are subject to the condition that, if, at any time after the principal (or, if the Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of the Securities of any series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay in the currency or currency unit in which the Securities of such series are payable (except as otherwise specified as contemplated by Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) of this Indenture), all matured installments of interest, if any, upon all the Securities of such series (or upon all the Securities, as the case may be) and (in the currency or currency unit described above) the principal of (and premium, if any, on) any and all Securities of such series (or of all the Securities, as the case may be) which shall have become due otherwise than by acceleration (with interest upon such principal and premium, if any, and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the Overdue Rate applicable to such series to the date of such payment or deposit) and in Dollars all amounts payable to the Trustee pursuant to the provisions of Section 8.6 and such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee

except as a result of negligence or bad faith, and if any and all Events of Default under the Indenture, other than the non-payment of the principal of and accrued interest on Securities of such series which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein--then and in every such case the Holders of a majority in aggregate principal amount of the Securities of such series (each Series voting as a separate class) or of all the Securities (voting as a single class), as the case may be, then Outstanding, by written notice to the Issuer and to the Trustee, may waive all defaults with respect to that series (or with respect to all the Securities, as the case may be) and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and the Trustee shall continue as though no such proceedings had been taken.

For all purposes under this Indenture, if a portion of the principal of any Original Issue Discount Securities shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Original Issue Discount Securities shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Original Issue Discount Securities.

SECTION 7.2. Collection of Indebtedness by Trustee; Trustee May Prove Debt. The Issuer covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Securities of any series when such interest shall have become due and payable, and such default shall have continued for a period of 30 days or (b) in case default shall be made in the payment of all or any part of the principal of or any premium, if any, on any Securities of any series when the same shall have become due and payable, whether upon Maturity of the Securities of such series or upon any redemption or by declaration or otherwise or (c) in case of default in the making or satisfaction of any sinking fund payment or analogous obligation when the same becomes due by the terms of the Securities of any series--then upon demand of the Trustee for such series, the Issuer will pay to the

Trustee for the benefit of the Holder of any such Security (or Holders of any such series of Securities in the case of clause (c) above) and the Holders of any Coupons appertaining thereto the whole amount that then shall have become due and payable on any such Security (or Securities of any such series in the case of clause (c) above) and matured Coupons, if any, appertaining thereto for the principal, premium, if any, and interest, if any, with interest upon the overdue principal and premium, if any, and, so far as payment of the same is enforceable under applicable law, on overdue installments of interest, at the Overdue Rate applicable to any such Security (or Securities of any such series in the case of clause (c)); and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and any further amounts payable to the Trustee pursuant to the provisions of Section 8.6.

In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid and may prosecute any such action or proceedings to judgment or final decree and may enforce any such judgment or final decree against the Issuer or other obligor upon such Securities (or Securities of any such series in the case of clause (c)) and Coupons and collect in the manner provided by law out of the property of the Issuer or other obligor upon such Securities (or Securities of any such series in the case of clause (c)) and Coupons, wherever situated, the moneys adjudged or decreed to be payable.

The Trustee for any series of the Securities shall be entitled and empowered, either in its own name as trustee of an express trust, or as attorney-in-fact for the Holders of any of the Securities of such series and for the Holders of any Coupons appertaining thereto or in both such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the Holders of Securities of such series and the Holders of any Coupons appertaining thereto allowed in any equity receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings, or any judicial proceedings, relative to the Company or any other obligor on the Securities of such series and any Coupons appertaining thereto or its creditors or its property. The Trustee for each series of the Securities is hereby irrevocably appointed (and the successive respective Holders of the Securities of such series and the Holders of any Coupons appertaining thereto, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective Holders of the Securities of such series and the Holders of any Coupons appertaining thereto, with authority to make or file in the respective names of the Holders of the Securities of such series and the Holders of any Coupons appertaining thereto or on behalf of all the Holders of Securities of all series and the Holders of any Coupons appertaining thereto for which it is Trustee any proof of debt, amendment of proof of debt, claim,

petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any other papers and documents and do and perform any and all acts and things for and on behalf of such Holders of the Securities of such series and the Holders of any Coupons appertaining thereto, as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Holders of the Securities of such series and the Holders of any Coupons appertaining thereto against the Issuer or any other obligor on the Securities of such series and any Coupons appertaining thereto and/or its property allowed in any such proceedings, and to receive payment of or on account of such claims in moneys or such other properties payable therefor and to distribute the same; provided, however, that nothing herein contained shall be deemed to authorize or empower the Trustee to consent to or accept or adopt, on behalf of any Holder of Securities of any series or any Holder of any Coupons appertaining thereto, any plan of reorganization, arrangement or readjustment of the Issuer or any other obligor on the Securities of any series and any Coupons appertaining thereto or, by other action of any character in any such proceeding, to waive or change in any way any right of any Holder of any Security of any series or any Holder of any Coupon appertaining thereto even though it may otherwise be entitled so to do under any present or future law, all such power or authorization being thereby expressly denied.

All rights of action and of asserting claims under this Indenture, or under any of the Securities of any series or Coupons appertaining thereto, may be enforced by the Trustee for such series without the possession of any of the Securities of any series or Coupons appertaining thereto, or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee for such series, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the holders of the Securities or Coupons in respect of which such action was taken.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be party) the Trustee shall be held to represent all the Holders of the Securities in respect of which such action was taken, and it shall not be necessary to make any Holders of such Securities parties to any such proceedings.

SECTION 7.3. Application of Proceeds. Any moneys collected by the Trustee pursuant to this Article in respect of any series of the Securities, together with any other sums held by the Trustee (as such) hereunder (other than sums held in trust for the benefit of the Holders of particular Securities or Coupons), shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal or interest, upon presentation

(except in respect of Subdivision First below) of the several Securities and any Coupons appertaining thereto in respect of which moneys have been collected and stamped (or otherwise noting) thereon the payment, or issuing Securities of such series in reduced principal amounts in exchange for the presented Securities of like series if only partially paid, or upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses applicable to such series in respect of which moneys have been collected, including reasonable compensation to the Trustee and each predecessor Trustee and their respective agents and attorneys, and of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence or bad faith, and all other amounts due to the Trustee or any predecessor Trustee pursuant to Section 8.6;

SECOND: In case the principal of the Securities of such series in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of interest on the Securities of such series in default in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee), so far as it may be enforceable under applicable law, upon the overdue installments of interest at the Overdue Rate applicable to such series, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Securities of such series in respect of which moneys have been collected shall become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all the Securities of such series for principal, premium, if any, and interest, if any, with interest upon the overdue principal, and (to the extent that such interest has been collected by the Trustee), so far as payment of the same is enforceable under applicable law, upon overdue installments of interest, if any, at the Overdue Rate applicable to such series; and, in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal, premium, if any, and interest, if any, without preference or priority, of principal and premium, if any, over interest, or of interest, if any, over principal and premium, if any, or of any installment of interest, if any, over any other installment of interest, if any, or of any Security of such series over any other Security of such series, or of any Coupon appertaining thereto over any other Coupon appertaining thereto, ratably to the aggregate of

such principal premium, if any, and accrued and unpaid interest, if any; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto or as a court of competent jurisdiction may direct.

SECTION 7.4. Suits for Enforcement. In case an Event of Default with respect to Securities of any series has occurred, has not been waived and is continuing, the Trustee for such series may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 7.5. Restoration of Rights on Abandonment of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Securityholders shall continue as though no such proceedings had been taken.

SECTION 7.6. Limitations on Suits by Securityholders. No Holder of any Security of any series or Holder of any Coupon appertaining thereto shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to this Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee for such series written notice of default with respect to such series and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than 25% in aggregate principal amount of the Securities of such series then Outstanding shall have made written request upon the Trustee for such series to institute such action or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 7.9; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security and by the taker

and Holder of any Coupon appertaining thereto with every other taker and Holder of any Security and of any Coupon appertaining thereto and the Trustee for the Securities of each series that no one or more Holders of Securities of any series or of any Coupons appertaining thereto shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder of Securities of such series or of any Coupons appertaining thereto, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of such series or of any Coupons appertaining thereto. For the protection and enforcement of the provisions of this Section, each and every Holder of Securities of any series or of any Coupons appertaining thereto and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 7.7. Unconditional Right of Securityholders To Institute Certain Suits. Nothing contained in this Indenture, in the Securities of any series or in any Coupon appertaining thereto shall affect or impair the obligation of the Issuer, which is unconditional and absolute, to pay the principal of, and premium, if any, and interest, if any, on the Securities of such series at the respective places, at the respective times, at the respective rates, in the respective amounts and in the coin, currency, or currency unit therein and herein prescribed, or affect the right of any Holder of a Security of any series or a Coupon to receive payment of the principal of (or premium, if any) or interest, if any, on any such Security or Coupon on or after the Maturity of such Security or the related Interest Payment Date, or affect or impair the right of action, which is also absolute and unconditional, of any Holder of any Security or Coupon, if any, to institute suit to enforce such payment at the respective due dates expressed in such Security or Coupon, if any, or upon redemption, by declaration, repayment or otherwise as herein provided without reference to, or the consent of, the Trustee or the Holder of any other Security or Coupon, if any, unless such Holder consents thereto.

SECTION 7.8. Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default. Except as provided in Section 7.6, no right or remedy herein conferred upon or reserved to the Trustee for any series of the Securities or to the Holder of any Security of such series or any Coupon appertaining thereto is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Trustee or of any Holder of any Security of any series or any Coupon appertaining thereto to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 7.6, every power and remedy given by this Indenture or by law to the Trustee for any series of the Securities or to the Holder of the Security of such series or any Coupon appertaining thereto may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holder of such Security or any Coupon appertaining thereto.

SECTION 7.9. Control by the Holders of Securities. The Holders of a majority in aggregate principal amount of the Securities of each series affected (with each series voting as a separate class) at the time Outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee for such series, or exercising any trust or power conferred on the Trustee with respect to the Securities of such series by this Indenture; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture and provided further that (subject to the provisions of Section 8.1) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors, the executive committee or a trust committee of directors or responsible officers of the Trustee shall determine that the action or proceedings so directed would involve the Trustee in personal liability or if the Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction would be unduly prejudicial to the interests of Holders of the Securities of all series so affected not joining in the giving of said direction, it being understood that (subject to Section 8.1) the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders.

Nothing in this indenture shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Securityholders.

SECTION 7.10. Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Securities of any series as provided in Section 7.1, the Holders of a majority in aggregate principal amount of the Securities of such series at the time Outstanding may on behalf of the Holders of all the Securities of such series waive any past default or Event of Default described in clauses (d) and (i) of Section 7.1 which relates to less than all series of Securities then Outstanding, the Holders of a majority in aggregate principal amount of the Securities then Outstanding affected thereby (each series voting as a separate class) may waive any such default or Event of Default or, in the case of an event specified in clause (d)

or (i) (if the Event of Default under clause (d) or (i) relates to all series of Securities then Outstanding), (e), (f) or (g) of Section 7.1, the Holders of a majority in aggregate principal amount of all the Securities then Outstanding (voting as one class) may waive any such default or Event of Default and its consequences, except a default in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Security affected. In the case of any such waiver, the Issuer, the Trustee and the Holders of the Securities of such series shall be restored to their former positions and rights hereunder, respectively, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 7.11. Trustee To Give Notice of Default, But May Withhold in Certain Circumstances. The Trustee shall transmit to the Securityholders of any series, as the names and addresses of such Holders appear on the registry books, and to such Holders of Securities of any series and of Coupons as have, within two years preceding such notice, filed their names and addresses with the Trustee for that purpose, notice by mail of all defaults known to the Trustee which have occurred with respect to such series, such notice to be transmitted within 90 days after the occurrence thereof, unless such defaults shall have been cured before the giving of such notice (the term "default" or "defaults" for the purposes of this Section being hereby defined to mean any event or condition which is, or with notice or lapse of time or both would become, an Event of Default); provided that, except in the case of default in the payment of the principal of or interest on any of the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or trustees and/or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Securityholders of such series and of Coupons, if any, appertaining thereto.

SECTION 7.12. Right of Court To Require Filing of Undertaking To Pay Costs. All parties to this Indenture agree, and each Holder of any Security and each Holder of any Coupon by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for the Securities of any series for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee for the

Securities of any series, to any suit instituted by any Securityholder or group of Securityholders of any series holding in the aggregate more than 10% in aggregate principal amount of the Securities of such series Outstanding or, in the case of any suit relating to or arising under clause (d) or (i) of Section 7.1 (if the suit relates to Securities of more than one but less than all series), 10% in aggregate principal amount of Securities Outstanding affected thereby or, in the case of any suit relating to or arising under clause (d), (i) (if the suit under clause (d) or (i) relates to all the Securities then Outstanding), (e), (f) or (g) of Section 7.1, 10% in aggregate principal amount of all Securities Outstanding or to any suit instituted by any Holder of Securities or Coupons for the enforcement of the payment of the principal of, premium, if any, or interest, if any, on any Security or Coupon on or after the due date expressed in such Security or Coupon.

SECTION 7.13. Judgment Currency. If, for the purpose of obtaining a judgment in any court with respect to any obligation of the Issuer hereunder or under any Security or Coupon, it shall become necessary to convert into any other currency or currency unit any amount in the currency or currency unit due hereunder or under such Security or Coupon, then such conversion shall be made at the Conversion Rate as in effect on the date the Issuer shall make payment to any person in satisfaction of such judgment. If, pursuant to any such judgment, conversion shall be made on a date other than the date payment is made and there shall occur a change between such Conversion Rate and the Conversion Rate as in effect on the date of payment, the Issuer agrees to pay such additional amounts (if any) as may be necessary to ensure that the amount paid is the amount in such other currency or currency unit which, when converted at the Conversion Rate as in effect on the date of payment or distribution, is the amount then due hereunder or under such Security or Coupon. Any amount due from the Issuer under this Section 7.13 shall be due as a separate debt and is not to be affected by or merged into any judgment being obtained for any other sums due hereunder or in respect of any Security or Coupon. In no event, however, shall the Issuer be required to pay more in the currency or currency unit due hereunder or under such Security or Coupon at the Conversion Rate as in effect when payment is made than the amount of currency or currency unit stated to be due hereunder or under such Security or Coupon so that in any event the Issuer's obligations hereunder or under such Security or Coupon will be effectively maintained as obligations in such currency or currency unit.

For purposes of this Section 7.13, "Conversion Rate" shall mean the spot rate at which in accordance with normal banking procedures the currency or currency unit into which an amount due hereunder or under any Security or Coupon is to be converted could be purchased with the currency or currency unit due hereunder or under any Security or Coupon from major banks located in New York, London or any other principal market for such purchased currency or currency unit.

ARTICLE EIGHT

CONCERNING THE TRUSTEE

SECTION 8.1. Duties and Responsibilities of the Trustee; During Default; Prior to Default. With respect to the Holders of any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to the Securities of that series and after the curing or waiving of all Events of Default which may have occurred with respect to such series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to the Securities of a series has occurred (which has not been cured or waived) the Trustee as to that series shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that

(a) prior to the occurrence of an Event of Default with respect to the Securities of such series and after the curing or waiving of all such Events of Default with respect to such series which may have occurred:

(i) the duties and obligations of the Trustee with respect to the Securities of any series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the

Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable for any determination, action or judgment of any Dollar Determination Agent or any other agent appointed by the Issuer pursuant to this Indenture; and

(d) the Trustee for the Securities of any series shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of Securities of such series pursuant to Section 7.9 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.

SECTION 8.2. Certain Rights of the Trustee. Subject to Section 8.1:

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

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or any Assistant Secretary of the Issuer;

(c) any request, direction, order or demand of the Guarantor mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or any Assistant Secretary of the Guarantor;

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

(e) the Trustee for Securities of any series shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders of such series pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(f) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;

(g) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Securities of all series affected then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation shall be paid by the Issuer or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Issuer upon demand; and

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

SECTION 8.3. Trustee Not Responsible for Recitals, Disposition of Securities or Application of Proceeds Thereof. The recitals contained herein and in the Securities, except the certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Securities or Coupons. The Trustee shall not be accountable for the use or application by the Issuer of any of the Securities or of the proceeds thereof.

SECTION 8.4. Trustee and Agents May Hold Securities; Collections, etc. The Trustee, any Paying Agent, any Securities Registrar or any agent of the Issuer or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities or Coupons with the same rights it would have if it were not the Trustee or such agent and, subject to Sections 8.8 and 8.13, if operative, may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee, Paying Agent, Securities Registrar or such agent.

SECTION 8.5. Moneys Held by Trustee. Subject to the provisions of Section 4.4 hereof, all moneys in any currency or currency unit received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 8.6. Compensation and Indemnification of Trustee and Its Prior Claim. The Issuer covenants and agrees to pay to the Trustee for the Securities of each series from time to time, and the Trustee shall be entitled to, reasonable compensation in Dollars (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee in Dollars for the Securities of each series upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Issuer also covenants to indemnify in Dollars the Trustee and each predecessor Trustee for the Securities of each series for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and the performance of its duties hereunder, including the costs and expenses of defending itself against or

investigating any claim of liability in the premises. The obligations of the Issuer under this Section to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be a claim prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities, and the Securities are hereby subordinated to such senior claim.

SECTION 8.7. Right of Trustee To Rely on Officers' Certificate, etc. Subject to Sections 8.1 and 8.2, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 8.8. Qualification of Trustee; Conflicting Interests. The Trustee for the Securities of any series issued hereunder shall be subject to the provisions of Section 310(b) of the Trust Indenture Act during the period of time provided for therein. In determining whether the Trustee has a conflicting interest as defined in Section 310(b) of the Trust Indenture Act with respect to the Securities of any series, there shall be excluded this Indenture with respect to Securities of any particular series of Securities other than that series. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the second-to-last paragraph of Section 310(b) of the Trust Indenture Act.

SECTION 8.9. Persons Eligible for Appointment as Trustee. There shall at all times be a Trustee for each series of Securities hereunder, which shall at all times be either

(i) a corporation organized and doing business under the laws of the United States of America or of any State or the District of Columbia which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by Federal, State or District of Columbia authority, or

(ii) a corporation or other Person organized and doing business under the laws of a foreign government that is permitted to act as Trustee

pursuant to a rule, regulation or order of the Commission, authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

in either case having a combined capital and surplus of at least \$10,000,000. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee for the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.10. Neither the Issuer nor any person directly or indirectly controlling, controlled by or under common control with the Issuer shall serve as trustee for the Securities of any series issued hereunder.

SECTION 8.10. Resignation and Removal; Appointment of Successor Trustee. (a) The Trustee, or any trustee or trustees hereafter appointed, for the Securities of any series may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Issuer and by mailing notice thereof by first-class mail to Holders of the applicable series of Securities at their last addresses as they shall appear on the Security Register. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument in duplicate, executed by authority of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 7.12, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee for the Securities of any series shall fail to comply with the provisions of Section 8.8 with respect to any series of Securities after written request therefor by the Issuer or by any

Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months;

(ii) the Trustee for the Securities of any series shall cease to be eligible in accordance with the provisions of Section 8.9 and shall fail to resign after written request therefor by the Issuer or by any Securityholder of such series; or

(iii) the Trustee for the Securities of any series shall become incapable of acting with respect to any series of Securities, or shall be adjudged a bankrupt or insolvent, or a receiver or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Issuer may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee for such series by written instrument, in duplicate, executed by order of the Board of Directors of the Issuer, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 7.12, any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee for such series.

(c) The Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding may at any time remove the Trustee with respect to the Securities of such series and appoint a successor trustee with respect to the Securities of such series by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 7.1 of the action in that regard taken by the Securityholders.

(d) Any resignation or removal of the Trustee with respect to any series of the Securities and any appointment of a successor trustee with respect to such series pursuant to any of the provisions of this Section 8.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.11.

SECTION 8.11. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 8.10 shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor

trustee with respect to all or any applicable series of the Securities shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee for such series hereunder; but, nevertheless, on the written request of the Issuer, or of the successor trustee, upon payment of its charges then unpaid, the Trustee ceasing to act shall, subject to Section 4.4, pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any Trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 8.6.

If a successor trustee is appointed with respect to the Securities of one or more (but not all) series, the Issuer, the predecessor Trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees cotrustees of the same trust and that each such Trustee shall be trustee of a trust or trusts under separate indentures.

No successor trustee with respect to any series of Securities shall accept appointment as provided in this Section 8.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 8.8 and eligible under the provisions of Section 8.9.

Upon acceptance of appointment by any successor trustee as provided in this Section 8.11, the Issuer shall mail notice thereof by first-class mail to the Holders of Securities of any applicable series and to the Holders of Coupons, if any, appertaining thereto for which such successor trustee is acting as Trustee at their last addresses as they shall appear in the Security Register. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 8.10. If the Issuer fails to mail such notice within 10 days after acceptance of

appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Issuer.

SECTION 8.12. Merger, Conversion, Consolidation or Succession to Business of Trustee. Any corporation into which the Trustee for the Securities of any series may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee for such series hereunder; provided that such corporation shall be qualified under the provisions of Section 8.8 and eligible under the provisions of Section 8.9, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities of one or more series shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities of any series shall not have been authenticated, any successor to the trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities of such series or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities of any series in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 8.13. Preferential Collection of Claims Against the Issuer.

(a) Subject to the provisions of this Section, if the Trustee for the Securities of any series shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Issuer or any other obligor of the Securities of such series within three months prior to a default, as defined in subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities of such series, the Holders of the Coupons, if any, appertaining thereto and the holders of other indenture securities (as defined in this Section):

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three-month period and valid as

against the Issuer and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in subsection (a)(2) of this Section or from the exercise of any right of setoff which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Issuer upon the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor or in satisfaction or composition thereof, or otherwise, after the beginning of such three months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Issuer and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any person (other than the Issuer) who is liable thereon, (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person and (iii) distributions made in cash, securities or other property in respect of claims filed against the Issuer in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable state law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in subsection (c) of this Section would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of the Trustee as such creditor, such claim shall have the same status as such preexisting claim.

If the Trustee for the Securities of any series shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders of the Securities of such series, the Holders of the Coupons, if any, appertaining thereto and the holders of other indenture securities in such manner that the Trustee, such Holders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Issuer in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Issuer of the funds and property in such special account and before crediting to the respective claims of the Trustee, Holders of the Securities of such series, the Holders of the Coupons, if any, appertaining thereto and the holders of other indenture securities dividends on claims filed against the Issuer in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion among between the Trustee, the Holders of such Securities, the Holders of the Coupons, if any, appertaining thereto and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, the Holders of such Securities, the Holders of the Coupons, if any, appertaining thereto and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, to make a specific allocation of

such distributions, as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such three-month period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three months' period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(ii) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such three months' period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

(b) There shall be excluded from the operation of this Section a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the Holders of the applicable series of Securities and the Holders of the Coupons, if any, appertaining thereto, at the time and in the manner provided in this Indenture;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in subsection (c)(3) below;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Issuer; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in subsection (c)(4) of this Section.

(c) As used in this Section:

(1) the term "default" shall mean any failure to make payment in full of the principal of or interest upon any of the Securities of the applicable series or upon the other indenture securities when and as such principal or interest becomes due and payable;

(2) the term "other indenture securities" shall mean securities upon which the Issuer is an obligor (as defined in the Trust Indenture Act) outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of subsection (a) of this Section and (iii) under which a default exists at the time of the apportionment of the funds and property held in said special account;

(3) the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(4) the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Issuer for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of or a lien upon the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security; provided that the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Issuer arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation; and

(5) the term "Issuer" shall mean any obligor upon the Securities.

SECTION 8.14. Authenticating Agent. So long as any Securities of a series remain outstanding, if the Trustee ceases to maintain a corporate trust facility in the Borough of Manhattan, The City of New York, New York, or otherwise upon an Issuer Request, there shall be an authenticating agent (the "Authenticating Agent") appointed, for such period as the Issuer shall elect, by the Trustee for such series of Securities to act as its agent on its behalf and subject to its direction in connection with the authentication and delivery of each series of Securities for which it is serving as Trustee. Securities of each such series authenticated by such Authenticating Agent shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by such Trustee. Wherever reference is made in this Indenture to the authentication and delivery of Securities of any series by the Trustee for such series or to the Trustee's Certificate of Authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee for such series except by way of original issuance by an Authenticating Agent for such series and a Certificate of Authentication executed on behalf of such Trustee by such Authenticating Agent. Such Authenticating Agent shall at all times be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000 and subject to supervision or examination by Federal or state authority. If the Trustee does not maintain a corporate trust facility in the Borough of Manhattan, The City of New York, New York, the Authenticating Agent shall have its principal office and place of business in the Borough of Manhattan, The City of New York, New York.

Any corporation into which any Authenticating Agent may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency business of any Authenticating Agent, shall continue to be the Authenticating Agent with respect to all series of Securities for which it served as Authenticating Agent without the execution or filing of any paper or any further act on the part of the Trustee for such series or such Authenticating Agent. Any Authenticating Agent may at any time, and, if it shall cease to be eligible, shall, resign by giving written notice of resignation to the applicable Trustee and to the Issuer. The Trustee for any series of Securities may at any time terminate the agency of any Authenticating Agent for such series by giving written notice of termination to such Authenticating Agent and to the Issuer.

Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 8.14 with respect to one or more or all series of Securities, the Trustee for such series shall upon Issuer Request appoint a

successor Authenticating Agent, and the Issuer shall provide notice of such appointment to all Holders of Securities of such series or any Coupons appertaining thereto in the manner and to the extent provided in Section 15.4. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all rights, powers, duties and responsibilities of its predecessor hereunder, with like effect as if originally named as Authenticating Agent herein. The Trustee for the Securities of such series agrees to pay to the Authenticating Agent for such series from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payment subject to the provisions of Section 8.6. The Authenticating Agent for the Securities of any series shall have no responsibility or liability for any action taken by it as such at the direction of the Trustee for such series.

ARTICLE NINE

CONCERNING THE HOLDERS OF SECURITIES

SECTION 9.1. Action by Holders. Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Securities of any series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action) the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, or (b) by the record of Holders voting in favor thereof at any meeting of such Holders duly called and held in accordance with the provisions of Article Ten, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders. The Issuer may set a record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted under this Indenture, which record date shall be the later of 10 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 9.1 of this Indenture prior to such solicitation. If a record date is fixed, those persons who were Holders of Securities at such record date (or their duly designated proxies), and only those persons, shall be entitled to take such action by vote or consent or to revoke any vote or consent previously given, whether or not such persons continue to be Holders after such record date. No such vote or consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.2. Proof of Execution of Instruments by Holders of Securities. Subject to Sections 8.1, 8.2 and 10.5, the execution of any instrument by

a Holder of a Security or of any Coupon or his agent or proxy may be proved in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds that the person executing such instrument acknowledged to him the execution thereof or by any affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, as the case may be, or by any other person acting in a representative capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

The ownership of Registered Securities of any series shall be proved by the Securities Register for such series or by a certificate of the Securities Register for such series; the ownership of Unregistered Securities of any series and Coupons shall be proved by proof of possession reasonably satisfactory to the Trustee.

The record of any Holders' meeting shall be proved in the manner provided in Section 10.6.

SECTION 9.3. Holders To Be Treated as Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may deem and treat the Person in whose name any Registered Security shall be registered upon the Security Register for such series as the absolute owner of such Security (notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 3.8), if such registered Security is a Fully Registered Security, interest, if any, on such Registered Security and for all other purposes whatsoever whether or not such Security be overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Holder of any Unregistered Security and the Holder of any Coupon, whether or not the Security to which such Coupon appertained be registered, as the absolute owner of such Security or Coupon for the purposes of receiving payment thereof or on account thereof and for all other purposes whatsoever whether or not such Security or Coupon be overdue, and neither the Issuer, the Trustee, any Paying Agent nor any Security Registrar shall be affected by notice to the contrary. All such payments so made to any Holder for the time being or upon his order shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon such Security or Coupon.

SECTION 9.4. Securities Owned by Issuer Deemed Not Outstanding. In determining whether the Holders of the requisite aggregate principal amount of Securities of any or all series have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Issuer or any other obligor on the Securities with respect to which such determination is being made or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Securities which the Trustee knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Issuer or any other obligor upon the Securities or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Issuer shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Issuer to be owned or held by or for the account of any of the above-described persons; and, subject to Sections 8.1 and 8.2, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

SECTION 9.5. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 9.1, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action, any Holder of a Security the number, letter or other distinguishing symbol of which is shown by the evidence to be included in the Securities the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Security. Except as aforesaid, any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and any Coupon appertaining thereto and of any Securities and Coupons issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon any such Security or Coupon or such other Security or Coupon. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in

connection with such action shall be conclusively binding upon the Issuer, the Trustee and the Holders of all the Securities affected by such action.

ARTICLE TEN

HOLDERS' MEETINGS

SECTION 10.1. Purposes of Meetings. A meeting of Holders of Securities of any or all series may, be called at any time and from time to time pursuant to the provisions of this Article Ten for any of the following purposes:

(1) to give any notice to the Issuer or to the Trustee for the Securities of such series, to give any directions to the Trustee for such series, to consent to the waiving of any default hereunder and its consequences or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article Seven;

(2) to remove the Trustee for such series and nominate a successor trustee pursuant to the provisions of Article Eight;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 11.2; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Securities of any one or more or all series, as the case may be, under any other provision of this Indenture or under applicable law.

SECTION 10.2. Call of Meetings by Trustee. The Trustee for the Securities of an series may at any time call a meeting of Holders of Securities of such series to take any action specified in Section 10.1, to be held at such time and at such place in the Borough of Manhattan The City of New York, or such other Place of Payment as the Trustee for such series shall determine. Notice of every meeting of the Holders of Securities of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to Holders of Securities of such series in the manner and to the extent provided in Section 15.4. Such notice shall be given not less than 20 nor more than 90 days prior to the date fixed for the meeting.

SECTION 10.3. Call of Meetings by Issuer or Holders. In case at any time the Issuer, pursuant to a Board Resolution, or the Holders of at least 10% in aggregate principal amount of the Outstanding Securities of any or all series, as the

case may be, shall have requested the Trustee for such series to call a meeting of Holders of Securities of any or all series, as the case may be, by written request setting forth in reasonable detail the action proposed to be taken at the meeting and the Trustee for such series shall not have given the notice of such meeting within 20 days after receipt of such request, then the Issuer or such Holders may determine the time and the place in the Borough of Manhattan or other Place of Payment for such meeting and may call such meeting to take any action authorized in Section 10.1, by giving notice thereof as provided in Section 10.2.

SECTION 10.4. Qualifications for Voting. To be entitled to vote at any meeting of Holders a person shall be (a) a Holder of one or more Securities with respect to which such meeting is being held or (b) a person appointed by an instrument in writing as proxy by such Holder. The only persons who shall be entitled to be present or to speak at any meeting of Holders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee for the Securities of the series with respect to which such meeting is being held and its counsel and any representatives of the Issuer and its counsel.

SECTION 10.5. Regulations. Notwithstanding any other provisions of this Indenture the Trustee for the Securities of any series may make such reasonable regulations as it may deem advisable for any meeting of Holders of the Securities of such series, in regard to proof of the holding of Securities of such series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Issuer or by Holders of the Securities of such series as provided in Section 10.3, in which case the Issuer or the Holders calling the meeting as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to Section 9.4, at any meeting each Holder of Securities with respect to which such meeting is being held or proxy therefor shall be entitled to one vote for each 1,000 (in the currency or currency unit in which such Securities are denominated) principal amount (in the case of Original Issue Discount Securities, such principal amount to be determined as provided in the definition of "Outstanding") of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any such Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities of such series

held by, him or instruments in writing aforesaid duly designating him as the person to vote on behalf of other Holders of such series. At any meeting of Holders, the presence of persons holding or representing Securities with respect to which such meeting is being held in an aggregate principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the persons holding or representing a majority in aggregate principal amount of such Securities represented at the meeting may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present. Any meeting of Holders of Securities with respect to which a meeting was duly called pursuant to the provisions of Section 10.2 or Section 10.3 may be adjourned from time to time by a majority of such Holders present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

SECTION 10.6. Voting. The vote upon any resolution submitted to any meeting of Holders of Securities with respect to which such meeting is being held shall be by written ballots on which shall be subscribed the signatures of such Holders or of their representatives by proxy and the serial number or numbers of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 10.2. The record shall show the serial numbers of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and the secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 10.7. No Delay of Rights by Meeting. Nothing in this Article Ten contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Securities of any series.

ARTICLE ELEVEN

SUPPLEMENTAL INDENTURES

SECTION 11.1. Supplemental Indentures Without Consent of Securityholders. The Issuer, when authorized by a Board Resolution, and the Trustee for the Securities of any or all series may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof) for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities of any or all series any property or assets; provided, however, that such conveyance, transfer, assignment, mortgage or pledge is consistent with the provisions of Section 4.6 or 5.2 hereof;

(b) to evidence the succession of another corporation to the Issuer, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Issuer under this Indenture and the Securities;

(c) to add to the covenants of the Issuer such further covenants, restrictions, conditions or provisions as its Board of Directors and the Trustee shall consider to be for the protection of the Holders of any series of Securities and the Coupons, if any, appertaining thereto, or to surrender any right or power conferred upon the Issuer, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided that in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Securities of such series to waive such an Event of Default;

(d) to add any additional Events of Default (and, if such Events of Default are to be applicable to less than all series of Securities, stating that such Events of Default are only applicable to specified series);

(e) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; or to make such other provisions in regard to matters or questions arising under this Indenture or under any supplemental indenture as the Board of Directors may deem necessary or desirable and which shall not materially and adversely affect the interests of the Holders of any Securities or the Coupons, if any, appertaining thereto;

(f) to establish the form or terms of Securities of any series and the Coupons, if any, appertaining thereto as permitted by Section 3.1;

(g) to permit payment in the United States of principal, premium or interest on Unregistered Securities or of interest on Coupon Securities;

(h) to provide for the issuance of uncertificated Securities of one or more series in addition to or in place of certificated Securities;

(i) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Securities of one or more series or to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 8.11;

(j) to change or eliminate any of the provisions of this Indenture; provided, however, that any such change or elimination may only be effected when no Outstanding Security of any series created prior to the execution of such supplemental indenture is entitled to the benefit of such provision; and

(k) following the release of the Guarantor pursuant to Section 14.2, to change or eliminate, by restatement or otherwise, the provisions of this Indenture referencing or relating to the Guarantor, the Guarantee and the Obligations so as to reflect the release of the Guarantor.

The Trustee with respect to any series of Securities affected by such supplemental indenture is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not

be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Securities at the time Outstanding, notwithstanding any of the provisions of Section 11.2.

SECTION 11.2. Supplemental Indentures with Consent of Securityholders. With the consent (evidenced as provided in Article Nine) of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of all series affected by such supplemental indenture (voting as one class), the Issuer, when authorized by a Board Resolution, and the Trustee for the Securities of each such series may, from time to time and at any time, enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of each such series; provided that no such supplemental indenture shall (a) change the Stated Maturity of any Security of such series, reduce the principal amount thereof, reduce the rate or change the time of payment of interest thereon, reduce any amount payable on redemption thereof, reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 7.1 or the amount thereof provable in bankruptcy pursuant to Section 7.2, adversely impair or affect the right of repayment or repurchase, if any, at the option of the Holder, reduce the amount of, or postpone the date fixed for, any payment under any sinking fund or analogous provisions for any Security, or change any Place of Payment or the coin or currency or currency unit in which any Security or the interest thereon is payable or change or eliminate the right of an Securityholder to institute suit for the payment thereof, without the consent of the Holder of each Security of such series so affected, or (b) reduce the aforesaid percentage of Securities of such series, the consent of the Holders of which is required for any such supplemental indenture (or waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences), without the consent of the Holder of each Security so affected, or (c) modify any of the provisions of this Section 11.2 or Section 7.10, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

Upon the request of the Issuer, accompanied by a Board Resolution, authorizing the execution of any such supplemental indenture and upon the filing with the Trustee with respect to any series of Securities affected by such supplemental indenture, of evidence of the consent of Securityholders as aforesaid and other

documents, if any, required by Section 9.1, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

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

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities and the Coupons, if any, appertaining thereto, or which modifies the rights of the Holders of Securities of such series or any Coupons appertaining thereto with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series or any Coupons appertaining thereto.

For purposes of this Section 11.2, if the Securities of any series are issuable upon the exercise of warrants, each holder of an unexercised and unexpired warrant with respect to such series shall be deemed to be a Holder of Outstanding Securities of such series in the amount issuable upon the exercise of such warrant. For such purposes, the ownership of any such warrant shall be determined by the Issuer in a manner consistent with customary commercial practices. The Trustee for such series shall be entitled to rely on an Officers' Certificate as to the principal amount of Securities of such series in respect of which consents shall have been executed by holders of such warrants.

SECTION 11.3. Notice of Supplemental Indenture. Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of Section 11.2, the Issuer shall mail a notice thereof by first-class mail to the Holders of Securities of each series and of Coupons, if any, appertaining thereto affected thereby at their addresses as they shall appear on the registry books of the Issuer, setting forth in general terms the substance of such supplemental indenture. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 11.4. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Eleven, this Indenture shall be and be deemed to be modified and amended in accordance therewith, but only with regard to the Securities of each series affected by such supplemental indenture, and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee for the Securities of such

series, the Issuer and the Holders of any Securities of such series or any Coupons appertaining thereto affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes with regard to the Securities of such series and any Coupons appertaining thereto.

SECTION 11.5. Documents To Be Given to Trustee. The Trustee, subject to the provisions of Sections 8.1 and 8.2, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article complies with the applicable provisions of this Indenture.

SECTION 11.6. Notation on Securities and Coupons in Respect of Supplemental Indentures. Securities of any series (including any Coupons appertaining thereto) affected by any supplemental indenture which are authenticated and delivered after the execution of such supplemental indenture pursuant to the provisions of this Article Eleven may bear a notation in form approved by the Trustee for such series as to any matter provided for in such supplemental indenture. If the Issuer or the Trustee shall so determine, new Securities of any series and any Coupons appertaining thereto so modified as to conform, in the opinion of the Trustee and the Issuer, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Securities of such series and any Coupons appertaining thereto then Outstanding.

SECTION 11.7. Issuance of Securities by Successor Corporation. In case the Issuer shall be consolidated with or merged into any other corporation or corporations, or shall convey or transfer all or substantially all its property as an entirety, the successor corporation formed by such consolidation or into which the Issuer shall have been merged or which shall have received a conveyance or transfer as aforesaid, upon causing to be executed and delivered the supplemental indenture referred to in Section 11.1(b), shall succeed to and be substituted for the Issuer with the same effect as if it had been named herein as the party of the first part and in all the Securities and the Coupons, if any, appertaining thereto as obligor, and thereupon and thereafter such successor corporation may cause to be executed, either in its own name or in the name of ITT Destinations, Inc., and delivered to the appropriate Trustee for authentication, any or all of the Securities and the Coupons, if any, appertaining thereto issuable hereunder; and, upon the order of such successor corporation in lieu of the Issuer, and subject to all the terms, conditions and restrictions in this Indenture prescribed, the Trustee for the Securities of the appropriate series shall authenticate and deliver any Securities of such series and the

Coupons, if any, appertaining thereto which shall have been previously executed and delivered by the Issuer to the Trustee for authentication and any Securities and the Coupons, if any, appertaining thereto which such successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be executed and delivered to the Trustee for such purpose. Such change in phraseology and form (but not in substance) may be made in such Securities and the Coupons, if any, appertaining thereto as may be appropriate in view of such consolidation or merger or conveyance or transfer. All such Securities and the Coupons, if any, appertaining thereto when issued by such successor corporation shall in all respects have the same legal rank as the Securities and the Coupons, if any, appertaining thereto theretofore or thereafter authenticated and delivered in accordance with the terms of this Indenture and issued, as though all of such Securities and Coupons, if any, appertaining thereto had been issued at the date of the execution hereof.

ARTICLE TWELVE

CONSOLIDATION, MERGER, SALE OR ASSUMPTION

SECTION 12.1. Issuer May Consolidate, Merge or Sell on Certain Terms. Nothing contained in this Indenture or in any of the Securities shall be deemed to prevent the consolidation or merger of the Issuer with or into any other corporation, or the merger into the Issuer of any other corporation, or the sale by the Issuer of its property and assets as, or substantially as, an entirety, or otherwise; provided, however, that (a) in case of any such consolidation or merger the corporation resulting from such consolidation or any corporation other than the Issuer into which such merger shall be made shall succeed to and be substituted for the Issuer with the same effect as if it has been named herein as a party hereto and shall become liable and be bound for, and shall expressly assume, by a supplemental indenture hereto, executed and delivered to the Trustee, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of this Indenture on the part of the Issuer to be performed or observed, and (b) as a condition of any such sale of the property and assets of the Issuer as, or substantially as, an entirety, the corporation to which such property and assets shall be sold shall (i) expressly assume, as a part of the purchase price thereof, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance and observance of all the covenants and conditions of this Indenture on the part of the Issuer to be performed or observed and (ii) simultaneously with the delivery to it of the conveyances or instruments of transfer of such property and assets, execute and deliver to the Trustee a supplemental indenture thereto, in form satisfactory to the Trustee, whereby such

purchasing corporation shall so assume the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of this Indenture on the part of the Issuer to be performed or observed, to the same extent that the Issuer is bound and liable.

The Issuer will not consolidate with any other corporation or accept a merger of any other corporation into the Issuer or permit the Issuer to be merged into any other corporation, or sell its properties and assets as, or substantially as, an entirety, except upon the terms and conditions set forth in this Section. Upon any consolidation or merger, or any sale of the properties and assets of the Issuer as, or substantially as, an entirety in accordance with the provisions of this Section, the corporation formed by such consolidation or into which the Issuer shall have been merged or to which such sale shall have been made shall succeed to and be substituted for the Issuer with the same effect as if it had been named herein as a party hereto and thereafter from time to time such successor corporation may exercise each and every right and power of the Issuer under this Indenture, in the name of the Issuer or in its own name; and any act or proceeding by any provision of this Indenture required or permitted to be done by the Board of Directors or any officer of the Issuer may be done with like force and effect by the like board or officer of any corporation that shall at the time be the successor of the Issuer hereunder. In the event of the sale by the Issuer of its properties and assets as, or substantially as, an entirety upon the terms and conditions of this Section, the Issuer shall be released from all its liabilities and obligations hereunder and under the Securities.

SECTION 12.2. Guarantor May Consolidate, Merge or Sell on Certain Terms. Nothing contained in this Indenture or in any of the Securities shall be deemed to prevent the consolidation or merger of the Guarantor with or into any other corporation, or the merger into the Guarantor of any other corporation, or the sale by the Guarantor of its property and assets as, or substantially as, an entirety, or otherwise; provided, however, that (a) in case of any such consolidation or merger the corporation resulting from such consolidation or any corporation other than the Guarantor into which such merger shall be made shall succeed to and be substituted for the Guarantor with the same effect as if it has been named herein as a party hereto and shall become liable and be bound for, and shall expressly assume, by a supplemental indenture hereto, executed and delivered to the Trustee, the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of this Indenture on the part of the Guarantor to be performed or observed, and (b) as a condition of any such sale of the property and assets of the Guarantor as, or substantially as, an entirety, the corporation to which such property and assets shall be sold shall (i) expressly assume, as a part of the purchase price thereof, the due and

punctual payment of the principal of, premium, if any, and interest, if any, on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance and observance of all the covenants and conditions of this Indenture on the part of the Guarantor to be performed or observed and (ii) simultaneously with the delivery to it of the conveyances or instruments of transfer of such property and assets, execute and deliver to the Trustee a supplemental indenture thereto, in form satisfactory to the Trustee, whereby such purchasing corporation shall so assume the due and punctual payment of the principal of, premium, if any, and interest, if any, on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance and observance of each and every covenant and condition of this Indenture on the part of the Guarantor to be performed or observed, to the same extent that the Guarantor is bound and liable.

The Guarantor will not consolidate with any other corporation or accept a merger of any other corporation into the Guarantor or permit the Guarantor to be merged into any other corporation, or sell its properties and assets as, or substantially as, an entirety, except upon the terms and conditions set forth in this Section. Upon any consolidation or merger, or any sale of the properties and assets of the Guarantor as, or substantially as, an entirety in accordance with the provisions of this Section, the corporation formed by such consolidation or into which the Guarantor shall have been merged or to which such sale shall have been made shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a party hereto and thereafter from time to time such successor corporation may exercise each and every right and power of the Guarantor under this Indenture, in the name of the Guarantor or in its own name; and any act or proceeding by any provision of this Indenture required or permitted to be done by the Board of Directors or any officer of the Guarantor may be done with like force and effect by the like board or officer of any corporation that shall at the time be the successor of the Guarantor hereunder. In the event of the sale by the Guarantor of its properties and assets as, or substantially as, an entirety upon the terms and conditions of this Section, the Guarantor shall be released from all its liabilities and obligations hereunder and under the Securities.

SECTION 12.3. Opinion of Counsel To Be Given to Trustee. The Trustee, subject to the provisions of Section 8.1, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger or sale, and any such assumption, complies with the provisions of this Article Twelve.

SECTION 12.4. Assumption by Guarantor of Issuer's Obligations. The Guarantor may at any time after December 31, 1995, assume the obligations of the Issuer for the due and punctual payment of the principal of (and premium, if any) and interest, if any, on all the Securities and the performance of every covenant of this

Indenture and the Securities on the part of the Issuer to be performed or observed; provided that:

(a) the Guarantor shall expressly assume such obligations by an indenture supplemental hereto, executed and delivered to the Trustee for the Securities of each series, in form satisfactory to the Trustee;

(b) 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 happened and be continuing;

(c) the Guarantor's Board of Directors shall have adopted a Board Resolution to abandon the Distribution; and

(d) the Guarantor and the Issuer each has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such assumption and such supplemental indenture comply with this Section 12.4 and that all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any such assumption, the Guarantor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if the Guarantor had been named as the Issuer herein, and the Person named as the "Issuer" in the first paragraph of this instrument or any successor corporation which shall have become such in the manner prescribed in Article Twelve shall be released from all its liabilities and obligations hereunder, under the Securities and pursuant to the covenants contained in Article Four and the provisions of Section 12.2.

ARTICLE THIRTEEN

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

SECTION 13.1. Satisfaction and Discharge of Securities of Any Series.

Except as otherwise provided for the Securities of any series established pursuant to Section 3.1(18), the Issuer and the Guarantor shall be deemed to have satisfied and discharged the entire indebtedness on all the Outstanding Securities of any particular series and the Coupons, if any, appertaining thereto, and the Trustee, at

the expense of the Issuer and upon Issuer Request, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness and release of any Guarantee of such indebtedness, when

(1) either:

(A) all Outstanding Securities of such series theretofore authenticated and delivered and the Coupons, if any appertaining thereto (other than (i) any Securities of such series or Coupons which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.7 and (ii) Outstanding Securities of such series or Coupons for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Sections 4.4, 13.4 and 13.5) have been delivered to the Trustee for cancellation; or

(B) with respect to all Outstanding Securities of such series and the Coupons, if any, appertaining thereto, described in (A) above not theretofore delivered to the Trustee for cancellation:

(i) the Issuer has deposited or caused to be deposited with the Trustee as trust funds in trust an amount in the currency or currency unit in which the Securities of such series are denominated (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) hereof) sufficient to pay and discharge the entire indebtedness on all such Outstanding Securities of such series for principal (and premium, if any) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 13.3, as the case may, be; or

(ii) the Issuer has deposited or caused to be deposited with the Trustee as obligations in trust such amount of Government Obligations as will, in a written opinion of independent public accountants delivered to the Trustee, together with the predetermined and certain income to accrue thereon (without consideration of any reinvestment thereof), be sufficient to pay and discharge when due the entire indebtedness on all such Outstanding Securities of such series and the Coupons, if any, appertaining thereto, for unpaid principal (and premium, if any,) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 13.3, as the case may, be.

(2) the Issuer has paid or caused to be paid all other sums payable with respect to the Outstanding Securities of such series and the Coupons, if any, appertaining thereto;

(3) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to due satisfaction and discharge of the entire indebtedness on all Outstanding Securities of any such series and the Coupons, if any, appertaining thereto, have been complied with; and

(4) if the Securities of such series and, the Coupons, if any, appertaining thereto, are not to become due and payable at their Stated Maturity within one year of the date of such deposit or are not to be called for redemption within one year of the date of such deposit under arrangements satisfactory to the Trustee as of the date of such deposit, then the Issuer shall have given, not later than the date of such deposit, notice of such deposit to the Holders of the Securities of such series and the Coupons, if any, appertaining thereto.

Upon the satisfaction of the conditions set forth in this Section 13.1 with respect to all the Outstanding Securities of any series and the Coupons, if any, appertaining thereto, the terms and conditions of such series, including the terms and conditions with respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Issuer or the Guarantor, and the Holders of the Securities of such series shall look for payment only to the funds or obligations deposited with the Trustee pursuant to Section 13.1(1)(b); provided, however, that the Issuer shall not be discharged from (a) any payment obligations in respect of Securities of such series which are deemed not to be Outstanding under clause (c) of the definition thereof and the Coupons, if any, appertaining thereto, if such obligations continue to be valid obligations of the Issuer under applicable law, (b) any obligations under Sections 8.6 and 8.10, and (c) any obligations under Section 3.6 or 3.7 (except that Securities of such series issued upon registration of transfer or exchange or Securities or Coupons, if any, appertaining thereto issued in lieu of mutilated, lost, destroyed or stolen Securities or Coupons shall not be obligations of the Issuer) and Section 6.1; and provided further that in the event a petition for relief under the Bankruptcy Reform Act of 1978 or a successor statute is filed with respect to the Issuer within 91 days after the deposit, the entire indebtedness on all Securities of such series and the Coupons, if any, appertaining thereto shall not be discharged, and in such event the Trustee shall return such deposited funds or obligations as it is then holding to the Issuer upon Issuer Request. Notwithstanding the satisfaction of the conditions set forth in this Section 13.1 with respect to all the Securities of any series not denominated in Dollars, upon the happening of any events specified in Section 3.12(e) the Issuer shall be obligated to make the payments in Dollars required by

Section 3.12(e) to the extent that the Trustee is unable to convert any Foreign Currency or currency unit in its possession pursuant to Section 13.1(1)(B) into the Dollar Equivalent of the Foreign Currency or the Dollar Equivalent of the Currency Unit, as the case may be. The Trustee shall return to the Issuer any non-converted funds or securities in its possession after such payments have been made.

SECTION 13.2. Satisfaction and Discharge of Indenture. Upon compliance by the Issuer with the provisions of Section 13.1 as to the satisfaction and discharge of each series of Securities issued hereunder and the Coupons, if any, appertaining thereto, and if the Issuer has paid or caused to be paid all other sums payable under this Indenture, this Indenture and any Guarantees issued hereunder shall cease to be of any further effect (except as otherwise provided herein). Upon Issuer Request and receipt of an Opinion of Counsel and an Officers' Certificate (and at the expense of the Issuer), the Trustee shall execute proper instruments acknowledging satisfaction and discharge of this Indenture and any such Guarantees.

Notwithstanding the satisfaction and discharge of this Indenture, any obligations of the Issuer under Sections 3.6, 3.7, 6.1, 8.6 and 8.10, any obligations of the Issuer under Section 3.12(d) to deliver an Exchange Rate Officer's Certificate and the obligations of the Trustee under Section 13.3 shall survive.

SECTION 13.3. Application of Trust Money. All money and obligations deposited with the Trustee pursuant to Section 13.1 shall be held irrevocably in trust and shall be made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee. Such money and obligations shall be applied by the Trustee, in accordance with the provisions of the Securities, this Indenture and such escrow trust agreement, to the payment, either directly or through any Paying Agent (including the Issuer acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of (and premium, if any) and interest, if any, on the Securities and the Coupons, if any, appertaining thereto for the payment of which such money and obligations have been deposited with the Trustee. If Securities of any series are to be redeemed prior to their Stated Maturity, whether pursuant to an optional redemption provision or in accordance with any mandatory sinking fund requirement, the Issuer shall make such arrangements as are satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

SECTION 13.4. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series and the Coupons, if any, appertaining thereto, all moneys with respect to such series then held by any Paying Agent for such series under the provisions of this Indenture with respect to such series of Securities shall, upon

demand of the Issuer, be repaid to it or paid to the Trustee and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

SECTION 13.5. Return of Moneys Held by Trustee and Paying Agent Unclaimed for Two Years. Any moneys deposited with or paid to the Trustee for the Securities of any series and the Coupons, if any, appertaining thereto, or any Paying Agent for the payment of the principal of, premium, if any, or interest, if any, on Securities of any series and the Coupons, if any, appertaining thereto and which shall not be applied but shall remain unclaimed by the Holders of Securities of such series and the Coupons, if any, appertaining thereto for two years after the date upon which such payment shall have become due and payable, shall be repaid to the Issuer by the Trustee on demand, and the holder of any of such Securities or the Coupons, if any, appertaining thereto entitled to receive such payment shall thereafter look only to the Issuer for the payment thereof; provided, however, that the Trustee, before making any such repayment, shall at the expense of the Issuer cause to be published once a week for two successive weeks (in each case on any day of the week) in an Authorized Newspaper, a notice that said moneys have not been so applied and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Issuer.

ARTICLE FOURTEEN

GUARANTEE

SECTION 14.1. Guarantee. The Guarantor hereby unconditionally and irrevocably guarantees to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of, premium, if any, and interest on the Securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Issuer under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Issuer under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Obligations"). The Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice or further assent from the Guarantor, and that such Guarantor will remain bound under this Article Fourteen notwithstanding any extension or renewal of any Obligation.

The Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Obligations and also waives notice of protest for nonpayment. The Guarantor waives notice of any default under the Securities or the Obligations. The obligations of the Guarantor hereunder shall not be affected by (a) the failure of any Holder or the Trustee to assert any claim or demand or to

enforce any right or remedy against the Issuer or any other person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Obligations or any of them; (e) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Obligations; or (f) (except as provided in Section 12.2) any change in the ownership of the Guarantor.

The Guarantor further agrees that its Guarantee herein constitutes a guaranty of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Obligations.

The obligations of the Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of the Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Guarantor or would otherwise operate as a discharge of the Guarantor as a matter of law or equity.

The Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against the Guarantor by virtue hereof, upon the failure of the Issuer to pay the principal of or interest on any Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Obligation, the Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of such

Obligations, (ii) accrued and unpaid interest on such Obligations (but only to the extent not prohibited by law) and (iii) all other monetary Obligations of the Issuer to the Holders and the Trustee.

The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations. The Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article Seven for the purposes of such Guarantor's Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article Seven, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section.

The Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section.

SECTION 14.2. Releases. In the event that (a) the indebtedness on all Outstanding Securities shall have been deemed satisfied pursuant to Section 13.1 hereof, or (b) the Completion of the Distribution shall have occurred, the Guarantor shall thereby become released and relieved of its Obligations and all provisions of this Indenture referencing or relating to the Guarantor, the Guarantee and the Obligations shall be of no further force or effect, and upon request of the Guarantor, the Trustee shall execute and deliver to the Guarantor a satisfaction and discharge with respect to its Obligations and the Trustee shall execute any other documents reasonably required to evidence the release of the Guarantor from its Obligations.

SECTION 14.3. Successors and Assigns. Except as provided in Section 14.2, this Article Fourteen shall be binding upon the Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights

by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 14.4. No Waiver, etc. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article Fourteen shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article Fourteen at law, in equity, by statute or otherwise.

ARTICLE FIFTEEN

MISCELLANEOUS PROVISIONS

SECTION 15.1. Incorporators, Stockholders, Officers and Directors of Issuer Exempt from Individual Liability. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security or Coupon, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such, or against any past, present or future stockholder, officer or director, as such, of the Issuer or of any successor, either directly, or through the Issuer or any successor, under any rule of law, statute or constitutional provision by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities or Coupons by the Holders thereof and as part of the consideration for the issue of such Securities and Coupons, if any, appertaining thereto.

SECTION 15.2. Provisions of Indenture for the Sole Benefit of Parties and Securityholders. Nothing in this Indenture or in the Securities or the Coupons, expressed or implied, shall give or be construed to give to any person, other than the parties hereto and their successors, the Holders of the Securities and the Holders of the Coupons, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors, of the Holders of the Securities and the Holders of the Coupons.

SECTION 15.3. Successors and Assigns of Issuer Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture

contained by or on behalf of the Issuer or the Guarantor shall bind its respective successors and assigns, whether so expressed or not.

SECTION 15.4. Notices to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, (1) if any of the Securities affected by such event are Fully Registered Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed by first class mail, postage prepaid, to such Holders as their names and addresses appear in the Securities Register within the time prescribed and (2) if any of the Securities affected by such event are Unregistered Securities, or Coupon Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed by first class mail, postage prepaid, to such Holders in the manner and to the extent provided in Section 6.4, and if published in an Authorized Newspaper or Newspapers in such city or cities as may be provided elsewhere in this Indenture or specified as contemplated by Section 3.1 on a Business Day at least twice, the first such publication to be not earlier than the earliest date and not later than the latest date prescribed for the giving of such notice. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance on such waiver. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with respect to other Holders, and any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given. In the event of suspension of regular mail service or for any other reason it shall be impracticable to give such notice to Registered Holders by mail, then such a notification as shall be made to Registered Holders with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In case by reason of the suspension of publication of any Authorized Newspaper or by reason of any other cause it shall be impracticable to publish any notice to Holders of Unregistered Securities or of Coupons as provided above then said notification to Holders of Unregistered Securities or of Coupons as shall be given with the approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder.

SECTION 15.5. Addresses for Notices. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee for the Securities of any series or by the Holders of Securities of any series or of any Coupons appertaining thereto on the Issuer may be given or served by registered mail addressed (until another address is filed by the Issuer with the Trustee) as follows: ITT DESTINATIONS, INC., Attention: Corporate Secretary, 1330 Avenue of the Americas, New York, NY 10019-5490. Any notice or demand

which by any provision of this Indenture is required or permitted to be given or served by the Trustee for the Securities of any series or by the Holders of Securities of any series or of any Coupons appertaining thereto on the Guarantor may be given or served by registered mail addressed (until another address is filed by the Guarantor with the Trustee) as follows: ITT CORPORATION, Attention: Corporate Secretary, 1330 Avenue of the Americas, New York, NY 10019-5490. Any notice, direction, request or demand by any Holder of Securities of any series to or upon the Trustee for such series or of any Coupons appertaining thereto shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the Corporate Trust Office of such Trustee, and, in respect of Unregistered Securities or Coupons, at the Corporate Trust Office of the Trustee referred to in Section 4.2. Any notice or demand required or permitted under this Indenture shall be in the English language, except that any published notice may be in the official language of the country of publication.

SECTION 15.6. Officers' Certificates and Opinions of Counsel; Statements To Be Contained Therein. Upon any application or demand by the Issuer or the Guarantor to the Trustee to take any action under any of the provisions of this Indenture, the Issuer or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent (including any covenants compliance with which constitutes a condition precedent) provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent (including any covenants compliance with which constitutes a condition precedent) have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than annual certificates provided pursuant to Section 4.7 or Section 5.3) shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with and (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any certificate, statement or opinion of an officer of the Issuer or the Guarantor may be based, insofar as it relates to legal matters, upon a certificate or

opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer or the Guarantor, as the case may be, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Issuer or the Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, or the Guarantor, as the case may be, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent.

SECTION 15.7. Cross References. All references herein to "Articles" and other subdivisions are to the corresponding Articles or other subdivisions of this Indenture, and the words "herein", "hereof", "hereby", "hereunder", "hereinbefore" and "hereinafter" and other words of similar purport refer to this Indenture generally and not to any particular Article, Section or other subdivision hereof.

SECTION 15.8. Legal Holidays. In any case where the date of maturity of principal, premium, if any, or interest, if any, on the Securities or Coupons or the date fixed for redemption or repayment of any Security shall not be a Business Day at any Place of Payment with respect to Securities of that series then (notwithstanding any other provisions of this Indenture or of the Security or Coupons) payment of such principal, premium, if any, or interest, if any, on the Securities and Coupons need not be made on such date at such Place of Payment but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the date of maturity or the date fixed for redemption or repayment, as the case may be, and no interest shall accrue for the period from and after such date.

SECTION 15.9. Moneys of Different Currencies To Be Segregated. The Trustee shall segregate all moneys, funds and accounts held by the Trustee hereunder in one currency from any money, funds or accounts in any other currencies, notwithstanding any provision herein which would otherwise permit the Trustee to commingle such amounts.

SECTION 15.10. Payment To Be in Proper Currency. Each reference in any Security, or in the Board Resolution relating thereto, to any currencies or currency units shall be of the essence. Subject to Section 3.12, the Issuer agrees, to the fullest extent that it may effectively do so under applicable law, that its obligation to make any payment of principal of (and premium, if any) and interest on any Security or any Coupon (i) shall not be discharged or satisfied by any tender by the Issuer, or recovery by the Trustee, either pursuant to any judgment (whether or not entered into in accordance with Section 7.13) or otherwise, in any currencies or currency units other than the currencies or currency units then due and payable (the "Required Currency"), except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. Except as permitted under Section 3.12, if any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Issuer, and the Issuer shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable, and in no circumstances shall the Trustee be liable therefor. The Issuer hereby waives any defense of payment based upon any such tender or recovery which is not in the Required Currency, or which, when exchanged for the Required Currency by the Trustee, is less than the full amount of Required Currency then due and payable.

SECTION 15.11. Conflict of Any Provision of Indenture with Trust Indenture Act. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by any of Sections 310 to 317, inclusive, of the Trust Indenture Act through operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 15.12. New York Law To Govern. This Indenture, the Guarantee and each Security shall be deemed to be a contract under the laws of the

state of New York, and for all purposes shall be construed in accordance with the laws of said State, except as may otherwise be required by mandatory provisions of law.

SECTION 15.13. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.14. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 15.15. Separability Clause. In case any provision of this Indenture or of the Securities or any Coupons appertaining thereto, if any, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

ARTICLE SIXTEEN

REDEMPTION OF SECURITIES

SECTION 16.1. Applicability of Article. The provisions of this Article shall be applicable to the Securities of any series which are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.1 for Securities of such series.

SECTION 16.2. Notice of Redemption; Selection of Securities. In case the Issuer shall desire to exercise the right to redeem all, or, as the case may be, any, part of the Securities of any series (or all or part of the Unregistered Securities of such series or all or any part of the Registered Securities of such series, if the terms and conditions of redemption shall differ with respect to Unregistered Securities and Registered Securities of such series as specified in the terms of such Securities established pursuant to Section 3.1) in accordance with their terms, it shall fix a Redemption Date and shall provide notice of such redemption to the Trustee, in the case such Securities are to be redeemed as a whole, 45 days, and in the case such Securities are to be redeemed in part, 60 days, prior to such Redemption Date, and at least 30 and not more than 60 days prior to such Redemption Date to the Holders of Securities of such series so to be redeemed as a whole or in part in the manner provided in Section 15.4. The notice provided in the manner herein specified shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such notice or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part

shall not affect the validity of the proceedings for the redemption of any other Security of such series.

Each such notice of redemption shall specify the Redemption Date, the Redemption Price, the Place or Places of Payment, that the Securities of such series are being redeemed at the option of the Issuer pursuant to provisions contained in the terms of the Securities of such series or in a supplemental indenture establishing such series, if such be the case, together with a brief statement of the facts permitting such redemption, that payment will be made upon presentation and surrender of the applicable Securities, that, unless otherwise specified in such notice, Coupon Securities of any series, if any surrendered for payment must be accompanied by all Coupons, if any, maturing subsequent to the date fixed for redemption, failing which the amount of any such missing Coupon or Coupons will be deducted from the sum due for payment, that any interest accrued to the Redemption Date will be paid as specified in said notice, and that on and after said Redemption Date any interest thereon or on the portions thereof to be redeemed will cease to accrue. If less than all the Securities of any series are to be redeemed the notice of redemption shall specify the numbers of the Securities of such series to be redeemed, and, if only, Unregistered Securities of any series are to be redeemed, and if such Unregistered Securities may be exchanged for Registered Securities, the last date on which exchanges of Unregistered Securities for Registered Securities not subject to redemption may be made. In case any Security of any series is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the Redemption Date, upon surrender of such Security and any Coupons appertaining thereto, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof and with appropriate Coupons will be issued, or, in the case of Securities providing appropriate space for such notation, at the option of the Holders, the Trustee, in lieu of delivering a new Security or Securities as aforesaid, may make a notation on such Security of the payment of the redeemed portion thereof.

On or before (but at least one New York Business Day before, in the case of payments made in a currency or currency unit other than Dollars) the Redemption Date with respect to the Securities of any series stated in the notice of redemption given as provided in this Section 16.2, the Issuer will deposit with the Trustee or with one or more Paying Agents an amount of money in the currency or currency unit in which the Securities of such series and any Coupons appertaining thereto are payable (except as otherwise specified as contemplated by Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) of this Indenture) sufficient to redeem on such Redemption Date all the Securities or portions thereof so called for redemption at the applicable Redemption Price, together with accrued interest to such Redemption Date. If the Issuer is acting

as its own Paying Agent, it will segregate such amount and hold it in trust as provided in Section 4.4.

If fewer than all the Securities of a series are to be redeemed (except in the case of a redemption in whole of the Unregistered Securities, the Coupon Securities, the Registered Securities or the Fully Registered Securities of such series), the Issuer will give the Trustee written notice not less than 60 days prior to the Redemption Date as to the aggregate principal amount of Securities to be redeemed and the Trustee shall select, not more than 75 days prior to the Redemption Date and in such manner as in its sole discretion it shall deem appropriate and fair, the Securities of such series or portions thereof (in multiples of 1,000 in the currency or currency unit in which the Securities of such series are denominated, except as otherwise set forth in the applicable form of Security) to be redeemed.

SECTION 16.3. Payment of Securities Called for Redemption. If notice of redemption has been given as above provided, the Securities or portions of Securities of the series specified in such notice shall become due and payable on the Redemption Date and at the place or places stated in such notice at the applicable Redemption Price, together with any interest accrued to such Redemption Date, and on and after said Redemption Date (unless the Issuer shall default in the payment of such Securities at the applicable Redemption Price, together with any interest accrued to said Redemption Date) any interest on the Securities or portions of Securities of any series so called for redemption shall cease to accrue. On presentation and surrender of such Securities and all Coupons, if any, appertaining thereto at a Place of Payment in such notice specified, such Securities and Coupons or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable Redemption Price, together with any interest accrued thereon to the applicable Redemption Date in the currency or currency unit in which the Securities of such series and the Coupons, if any, appertaining thereto are payable (except as otherwise specified as contemplated by, Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) of this Indenture).

If any Coupon Security, surrendered for redemption shall not be accompanied by all appurtenant Coupons maturing on or after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing Coupons or the surrender of such missing Coupon or Coupons may be waived by the Issuer and the Trustee, if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any, Paying Agent any such missing Coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted provided, however, that, unless otherwise provided pursuant to Section 3.1 or Section 11.1(f), interest represented by Coupons

shall be payable only upon presentation and surrender of those Coupons at an office or agency located outside of the United States.

Upon presentation of any, Security redeemed in part only and the Coupons, if any, appertaining thereto, the Issuer shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new Security or Securities of such series and the Coupons, if any, appertaining thereto, of authorized denominations, in principal amount equal to the unredeemed portion of the Securities so presented.

SECTION 16.4. Exclusion of Certain Securities from Eligibility for Selection for Redemption. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration or certificate number in the case of Registered Securities or Fully Registered Securities, or by certificate number, in the case of Coupon Securities, in a written statement signed by an authorized officer of the Issuer and delivered to the Trustee at least 40 days prior to the last date on which notice of redemption may be given as being owned by, and not pledged or hypothecated by, either (a) the Issuer or (b) an entity specifically identified in such written statement directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer. In the case of Coupon Securities, the Issuer will provide evidence satisfactory to the Trustee of the ownership thereof.

SECTION 16.5 Redemption Pursuant to Gaming Laws. (a) Notwithstanding the provisions of Section 16.2 hereof and any related paragraphs of the Securities of any series, if any Gaming Authority requires that a Holder or beneficial owner of Securities of any series must be licensed or found qualified or suitable to hold or own the Securities of any such series, but that Person is not licensed or found qualified or suitable within any time specified by such Gaming Authority, or such Gaming Authority denies a license to or finds unqualified or unsuitable such Person, the Issuer will have the right at its option to require such Person to dispose of such Person's Securities of such series within the time period prescribed by the Issuer or such other time period as may be prescribed by any Gaming Authority, which time period shall be specified in a written notice from the Issuer. If such Holder or beneficial owner, having been given the opportunity by the Issuer to dispose of such Securities, fails to dispose of such Securities within the prescribed time period, the Issuer shall have the right to call for redemption such Securities by notice of redemption to such Person.

(b) On any redemption of Securities of any series pursuant to this Section 16.5, the Redemption Price shall be the lesser of (i) the lowest closing sale price of the Securities of such series on any trading day during the 120 day period commencing on the date upon which the Issuer shall have received notice from a Gaming Authority of such Holder's disqualification or (ii) the price at which such Holder

or beneficial owner acquired the Securities, unless a different redemption price is required by such Gaming Authority, in which event such required price shall be the Redemption Price. Each Holder and beneficial owner, by accepting a Security of any series, agrees to the provisions of this Section 16.5 and any related paragraphs of the Securities of such series and agrees to inform the Issuer upon request of the price at which such Holder or beneficial owner acquired such Holder's or beneficial owner's Securities.

(c) Any redemption notice given by the Issuer under this Section 16.5 shall state (i) that the Securities are being called for redemption as a result of the Holder's or beneficial owner's status under the relevant Gaming Laws, (ii) the Redemption Date, (iii) the Redemption Price and (iv) the place or places where such Securities are to be surrendered for payment of the Redemption Price.

ARTICLE SEVENTEEN

SINKING FUNDS

SECTION 17.1. Applicability of Article. The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.1 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is hereinafter referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of the Securities of any series is herein referred to as an "optional sinking fund payment".

SECTION 17.2. Satisfaction of Mandatory Sinking Fund Payments with Securities. In lieu of making all or any part of any mandatory sinking fund payment with respect to any, Securities of a series in cash, the Issuer may at its option, at any time no more than 16 months and no less than 45 days prior to the date on which such sinking fund payment is due, deliver to the Trustee Outstanding Securities of such series (together with the unmatured Coupons, if any, appertaining thereto) theretofore purchased or otherwise acquired by the Issuer, except Securities of such series which have been redeemed or previously called for redemption through the application of mandatory or optional sinking fund payments pursuant to the terms of the Securities of such series or which have been acquired or redeemed out of the proceeds of sale of a Principal Property, pursuant to clause (i) of Section 4.5, accompanied by an Issuer Order instructing the Trustee to credit such obligations and

stating that the Securities of such series were originally issued by the Issuer by way of bona fide sale or other negotiation for value; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 17.3. Redemption of Securities for Sinking Fund. Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Issuer will deliver to the Trustee a certificate signed by the Treasurer or any Associate or Assistant Treasurer of the Issuer specifying the amount of the next ensuing sinking fund payment for such series pursuant to the terms of such series, the portion thereof, if any, which is to be satisfied by payment of cash in the currency or currency unit in which the Securities of such series and the Coupons, if any, appertaining thereto are payable (except as otherwise specified as contemplated by Section 3.1 for the Securities of such series and except as provided in Sections 3.12(b), 3.12(e) and 3.12(f) of this Indenture) and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of such series pursuant to Section 17.2 and whether the Issuer intends to exercise its right to make a permitted optional sinking fund payment with respect to such series. Such certificate shall be irrevocable and upon its delivery the Issuer shall be obligated to make the cash payment or payments (in the currency or currency unit described above) therein referred to, if any, on or before the next succeeding sinking fund payment date. In the case of the failure of the Issuer to deliver such certificate (or to deliver the Securities and Coupons, if any, specified in such certificate within the time period specified in Section 17.2), the sinking fund payment due on the next succeeding sinking fund payment date for such series shall be paid entirely in cash (in the currency, or currency, unit described above) and shall be sufficient to redeem the principal amount of the Securities of such series subject to a mandatory sinking fund payment without the right to deliver or credit Securities as provided in Section 17.2 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Any sinking fund payment or payments (mandatory or optional) made in cash (in the currency, or currency, unit described above) plus any unused balance of any preceding sinking fund payments made with respect to the Securities of any particular series shall be applied by the Trustee (or by the Issuer if the Issuer is acting as its own Paying Agent) on the sinking fund payment date on which such payment is made (or, if such payment is made before a sinking fund payment date, on the sinking fund payment date following the date of such payment) to the redemption of Securities of such series at the Redemption Price specified in such Securities with respect to the sinking fund together with accrued interest, if any, to the applicable Redemption Date. Any excess sinking fund moneys not so applied or allocated by the Trustee (or

by the Issuer if the Issuer is acting as its own Paying Agent) to the redemption of Securities shall be added to the next sinking fund payment received by the Trustee (or if the Issuer is acting as its own Paying Agent, segregated and held in trust as provided in Section 4.4) for such series and, together with such payment (or such amount so segregated) shall be applied in accordance with the provisions of this Section 17.3. Any and all sinking fund moneys with respect to the Securities of any particular series held by the Trustee (or if the Issuer is acting as its own Paying Agent, segregated and held in trust as provided in Section 4.4) on the last sinking fund payment date with respect to Securities of such series and not held for the payment or redemption of particular Securities of such series shall be applied by the Trustee (or by the Issuer if the Issuer is acting as its own Paying Agent), together with other moneys, if necessary, to be deposited (or segregated) sufficient for the purpose, to the payment of the principal of the Securities of such series at Maturity. The Trustee shall not convert any currency or currency unit in which the Securities of such series are payable for the purposes of such sinking fund application unless specifically requested to do so by the Issuer, and any such conversion agreed to by the Trustee in response to such request shall be for the account and at the expense of the Issuer and shall not affect the Issuer's obligation to pay the Holders in the currency, or currency unit to which such Holders may be entitled.

The Trustee shall select or cause to be selected the Securities to be redeemed upon such sinking fund payment date in the manner specified in the last paragraph of Section 16.2 and the Issuer shall cause notice of the redemption thereof to be given in the manner provided in Section 16.2 except that the notice of redemption shall also state that the Securities are being redeemed by operation of the sinking fund and whether the sinking fund payment is mandatory or optional, or both, as the case may be. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Section 16.3.

On or before (but at least one New York Business Day, before, in the case of payments made in a currency or currency unit other than Dollars) each sinking fund payment date, the Issuer shall pay to the Trustee (or, if the Issuer is acting as its own Paying Agent, will segregate and hold in trust as provided in Section 4.4) in cash (in the currency or currency unit described in the first paragraph of this Section 17.3) a sum equal to the principal and any interest accrued to the Redemption Date for Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section.

Neither the Trustee nor the Issuer shall redeem any Securities of a series with sinking fund moneys or mail any notice of redemption of Securities of such series by operation of the sinking fund for such series during the continuance of a default in payment of interest, if any on any Securities of such series or of any Event of Default (other than an Event of Default occurring as a consequence of this

paragraph) with respect to the Securities of such series, except that if the notice of redemption shall have been provided in accordance with the provisions hereof, the Trustee (or the Issuer if the Issuer is acting as its own Paying Agent) shall redeem such Securities if cash (in the currency or currency unit described in the first paragraph of this Section 17.3) sufficient for the purpose shall be deposited with the Trustee (or segregated by the Issuer) for that purpose in accordance with the terms of this Article. Except as aforesaid, any moneys (in the currency or currency unit described in the first paragraph of this Section 17.3) in the sinking fund for such series at the time when any such default or Event of Default shall occur and any moneys (in the currency or currency unit described in the first paragraph of this Section 17.3) thereafter paid into such sinking fund shall, during the continuance of such default or Event of Default, be held as security for the payment of the Securities of such series and the Coupons, if any, appertaining thereto; provided, however that in case such Event of Default or default shall have been cured or waived as provided herein, such moneys (in the currency or currency unit described in the first paragraph of this Section 17.3) shall thereafter be applied on the next sinking fund payment date for the Securities of such series on which such moneys (in the currency or currency unit described in the first paragraph of this Section 17.3) may be applied pursuant to the provisions of this Section.

IN WITNESS WHEREOF, the parties hereto have this Indenture to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

ITT DESTINATIONS, INC., as Issuer

by _____
Vice President

[Corporate Seal]
Attest:

Assistant Secretary

ITT CORPORATION, as Guarantor,

by _____
Vice President

[Corporate Seal]
Attest:

Assistant Secretary

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee

by _____
Authorized Officer

[Corporate Seal]
Attest:

Assistant Secretary

ITT CORPORATION
1330 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-5490

Richard S. Ward
Executive Vice President and General Counsel

October 16, 1995

ITT Destinations, Inc. and
ITT Corporation
1330 Avenue of the Americas
New York, New York 10019-5490

Re: Debt Securities and Warrants to Purchase Debt
Securities of ITT Destinations, Inc.; Guarantee of Debt
Securities by ITT Corporation

Dear Sirs:

This opinion is being furnished on behalf of ITT Destinations, Inc. (the "Company") and ITT Corporation ("ITT") in connection with the proposed offering by the Company of Debt Securities (the "Debt Securities") and Warrants (the "Warrants") to purchase such Debt Securities in an aggregate initial offering price not to exceed \$2,000,000,000 (collectively, the "Securities"). The Debt Securities will be issued under the Indenture (the "Indenture") among the Company, ITT and The First National Bank of Chicago, as Trustee, which Debt Securities, subject to certain conditions, will be unconditionally guaranteed as to principal, premium, if any, and interest (the "Guarantees") by ITT. (The Debt Securities may also be issued under indentures with one or more other banking institutions to be qualified as Trustees pursuant to Section 305(b)(2) of the Trust Indenture Act of 1939.) The Warrants will be issued under a Warrant Agreement (the "Warrant Agreement") between the Company and a Warrant Agent. The Securities are being registered under the Securities Act of 1933, as amended, under a Registration Statement on Form S-3 (the "Registration Statement").

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments as I have deemed necessary for the purpose of this opinion.

Upon the basis of the foregoing, I am of the opinion that, when the Indenture and the Warrant Agreement shall have been executed and delivered, (i) the Debt Securities, when duly executed, authenticated and delivered and (ii) the Warrants, when duly executed, countersigned and delivered, against payment therefor in accordance with the terms of the Underwriting Agreement or other Selling Agency or Distribution Agreement relating thereto, and pursuant to the provisions of the Indenture and Warrant Agreement, respectively, will be valid and binding obligations of the Company.

Upon the basis of the foregoing, I am of the opinion that, when the Indenture shall have been duly executed and delivered, any Guarantees pursuant thereto shall be valid and binding obligations of ITT.

I hereby consent to the filing or incorporation of this opinion as Exhibit 5 to the Registration Statement and to the reference to me under "Legal Opinions" therein.

Very truly yours,

RICHARD S. WARD

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 FIRST NATIONAL BANK OF CHICAGO
(EXACT NAME OF TRUSTEE AS SPECIFIED IN ITS CHARTER)

A NATIONAL BANKING ASSOCIATION

36-0899825
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

ONE FIRST NATIONAL PLAZA, CHICAGO, ILLINOIS
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

60670-0126
(ZIP CODE)

THE FIRST NATIONAL BANK OF CHICAGO
ONE FIRST NATIONAL PLAZA, SUITE 0286
CHICAGO, ILLINOIS 60670-0286
ATTN: LYNN A. GOLDSTEIN, LAW DEPARTMENT (312) 732-6919
(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

ITT DESTINATIONS, INC.
(EXACT NAMES OF OBLIGORS AS SPECIFIED IN THEIR RESPECTIVE CHARTERS)

ITT CORPORATION

NEVADA
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

DELAWARE

88-0340591
(I.R.S. EMPLOYER IDENTIFICATION NUMBERS)

13-5158950

1330 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-5490
(ADDRESS, INCLUDING ZIP CODE, OF PRINCIPAL EXECUTIVE OFFICES OF BOTH OBLIGORS)

DEBT SECURITIES AND GUARANTEES
(TITLE OF 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.

Comptroller of Currency, Washington, D.C.,
Federal Deposit Insurance Corporation,
Washington, D.C., The Board of Governors of
the Federal Reserve System, Washington D.C.

(B) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR. IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

No such affiliation exists with the trustee.

ITEM 16. LIST OF EXHIBITS. LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.
9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 12th day of October, 1995.

THE FIRST NATIONAL BANK OF CHICAGO,
TRUSTEE,

BY /S/ R. D. MANELLA

R. D. MANELLA
VICE PRESIDENT

* EXHIBIT 1,2,3 AND 4 ARE HEREIN INCORPORATED BY REFERENCE TO EXHIBITS BEARING IDENTICAL NUMBERS IN ITEM 12 OF THE FORM T-1 OF THE FIRST NATIONAL BANK OF CHICAGO, FILED AS EXHIBIT 26 TO THE REGISTRATION STATEMENT ON FORM S-3 OF THE CIT GROUP HOLDINGS, INC., FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 16, 1993 (REGISTRATION NO. 33-58418).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

October 12, 1995

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of an indenture among ITT Destinations, Inc., ITT Corporation and The First National Bank of Chicago, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

THE FIRST NATIONAL BANK OF CHICAGO

BY: /S/ R. D. MANELLA

R. D. MANELLA
VICE PRESIDENT

EXHIBIT 7

Legal Title of Bank: The First National Bank of Chicago
 Address: One First National Plaza, Suite 0460
 City, State Zip: Chicago, IL 60670-0460
 FDIC Certificate No.: 0/3/6/1/8

Call Date: 06/30/95 ST-BK: 17-1630 FFIEC 031
 Page RC-1

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL
 AND STATE-CHARTERED SAVINGS BANKS FOR JUNE 30, 1995

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

SCHEDULE RC--BALANCE SHEET

| | DOLLAR AMOUNTS IN THOUSANDS | RCFD | C400 BIL MIL THOU | <- |
|---|-----------------------------|------------|-------------------|-------|
| | ----- | ---- | ----- | ---- |
| ASSETS | | | | |
| 1. Cash and balances due from depository institutions (from Schedule RC-A): | | | | |
| a. Noninterest-bearing balances and currency and coin(1)..... | | 0081 | 3,184,875 | 1. a. |
| b. Interest-bearing balances(2)..... | | 0071 | 8,932,069 | 1. b. |
| 2. Securities | | | | |
| a. Held-to-maturity securities(from Schedule RC-B, column A)..... | | 1754 | 249,502 | 2. a. |
| b. Available-for-sale securities (from Schedule RC-B, column D).... | | 1773 | 536,856 | 2. b. |
| 3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs: | | | | |
| a. Federal Funds sold..... | | 0276 | 2,897,736 | 3. a. |
| b. Securities purchased under agreements to resell..... | | 0277 | 1,417,129 | 3. b. |
| 4. Loans and lease financing receivables: | | | | |
| a. Loans and leases, net of unearned income (from Schedule RC-C)..... | RCFD 2122 | 16,567,408 | | 4. a. |
| b. LESS: Allowance for loan and lease losses..... | RCFD 3123 | 358,877 | | 4. b. |
| c. LESS: Allocated transfer risk reserve..... | RCFD 3128 | 0 | | 4. c. |
| d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)..... | | 2125 | 16,208,531 | 4. d. |
| 5. Assets held in trading accounts..... | | 3545 | 13,486,931 | 5. |
| 6. Premises and fixed assets (including capitalized leases)..... | | 2145 | 516,279 | 6. |
| 7. Other real estate owned (from Schedule RC-M)..... | | 2150 | 11,216 | 7. |
| 8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)..... | | 2130 | 12,946 | 8. |
| 9. Customers' liability to this bank on acceptances outstanding..... | | 2155 | 501,943 | 9. |
| 10. Intangible assets (from Schedule RC-M)..... | | 2143 | 111,683 | 10. |
| 11. Other assets (from Schedule RC-F)..... | | 2160 | 1,258,270 | 11. |
| 12. Total assets (sum of items 1 through 11)..... | | 2170 | 49,325,966 | 12. |

(1) Includes cash items in process of collection and unposted debits.
 (2) Includes time certificates of deposit not held in trading accounts.

Legal Title of Bank: The First National Bank of Chicago
 Address: One First National Plaza, Suite 0460
 City, State Zip: Chicago, IL 60670-0460
 FDIC Certificate No.: 0/3/6/1/8

Call Date: 06/30/95 ST-BK: 17-1630 FFIEC 031
 Page RC-2

SCHEDULE RC-CONTINUED

| | DOLLAR AMOUNTS IN THOUSANDS | | BIL MIL THOU | |
|---|-----------------------------|------------|--------------|------------|
| | ----- | | ----- | |
| LIABILITIES | | | | |
| 13. Deposits: | | | | |
| a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part 1): | | | | |
| (1) Noninterest-bearing(1) | RCON 6631 | 5,895,584 | RCON 2200 | 14,889,235 |
| (2) Interest-bearing | RCON 6636 | 8,993,651 | | |
| b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II): | | | | |
| (1) Noninterest bearing | RCFN 6631 | 315,549 | RCFN 2200 | 13,289,760 |
| (2) Interest-bearing | RCFN 6636 | 12,974,211 | | |
| 14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs: | | | | |
| a. Federal funds purchased | | | RCFD 0278 | 2,942,186 |
| b. Securities sold under agreements to repurchase | | | RCFD 0279 | 1,160,512 |
| 15. a. Demand notes issued to the U.S. Treasury | | | RCON 2840 | 112,768 |
| b. Trading Liabilities | | | RCFD 3548 | 7,872,221 |
| 16. Other borrowed money: | | | | |
| a. With original maturity of one year or less | | | RCFD 2332 | 2,402,829 |
| b. With original maturity of more than one year | | | RCFD 2333 | 643,987 |
| 17. Mortgage indebtedness and obligations under capitalized leases | | | RCFD 2910 | 278,108 |
| 18. Bank's liability on acceptance executed and outstanding | | | RCFD 2920 | 501,943 |
| 19. Subordinated notes and debentures | | | RCFD 3200 | 1,225,000 |
| 20. Other liabilities (from Schedule RC-G) | | | RCFD 2930 | 981,938 |
| 21. Total liabilities (sum of items 13 through 20) | | | RCFD 2948 | 46,300,487 |
| 22. Limited-life preferred stock and related surplus | | | RCFD 3282 | 0 |
| EQUITY CAPITAL | | | | |
| 23. Perpetual preferred stock and related surplus | | | RCFD 3838 | 0 |
| 24. Common stock | | | RCFD 3230 | 200,858 |
| 25. Surplus (exclude all surplus related to preferred stock) | | | RCFD 3839 | 2,314,642 |
| 26. a. Undivided profits and capital reserves | | | RCFD 3632 | 510,093 |
| b. Net unrealized holding gains (losses) on available-for-sale securities | | | RCFD 8434 | (880) |
| 27. Cumulative foreign currency translation adjustments | | | RCFD 3284 | 766 |
| 28. Total equity capital (sum of items 23 through 27) | | | RCFD 3210 | 3,025,479 |
| 29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28) | | | RCFD 3300 | 49,325,966 |

Memorandum

To be reported only with the March Report of Condition.

| 1. Indicate 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 1993. | Number | |
|---|---|----------|
| | RCFD 6724 | N/A 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 | 4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority) | |
| 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 on the bank separately) | 5 = Review of the bank's financial statements by external auditors | |
| 3 = 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) | 6 = Compilation of the bank's financial statements by external auditors | |
| | 7 = Other audit procedures (excluding tax preparation work) | |
| | 8 = No external audit work | |

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