

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

CVS/CAREMARK CORP

CIK: **64803** | IRS No.: **050494040** | State of Incorporation: **DE** | Fiscal Year End: **1231**

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SIC: **5912** Drug stores and proprietary stores

Mailing Address

ONE CVS DR.
WOONSOCKET RI 02895

Business Address

ONE CVS DR.
WOONSOCKET RI 02895
4017651500

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K
CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): March 22, 2007

CVS/CAREMARK CORPORATION

(Exact Name of Registrant
as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-01011

(Commission File Number)

05-0494040

(IRS Employer Identification No.)

One CVS Drive

Woonsocket, Rhode Island

(Address of Principal Executive Offices)

02895

(Zip Code)

Registrant's telephone number, including area code: **(401) 765-1500**

CVS Corporation

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Other Events

Item 2.01. Completion of Acquisition or Disposition of Assets

Effective March 22, 2007, pursuant to the Agreement and Plan of Merger dated as of November 1, 2006 (as amended by Amendment No. 1, dated as of January 16, 2007, the “**Merger Agreement**”) relating to the CVS and Caremark merger transaction, Caremark Rx, Inc. (“**Caremark**”) was merged with and into a subsidiary of CVS Corporation (“**CVS**” or the “**Corporation**”), with the CVS subsidiary continuing as the surviving entity. Immediately following the merger, as described below under item 5.03, the name of the Corporation was changed from “CVS Corporation” to “CVS/Caremark Corporation”.

By virtue of the merger, each issued and outstanding share of common stock, par value \$0.001 per share, of Caremark was converted into the right to receive 1.67 shares of common stock, par value \$0.01 per share, of the Corporation. Cash will be paid in lieu of fractional shares of CVS common stock.

A portion of the special cash dividend of \$7.50 per share separately payable to Caremark shareholders of record as of the close of business on the day immediately preceding the closing date of the merger has been funded through a combination of proceeds from the issuance of commercial paper, available cash of Caremark and borrowings under the Bridge Credit Agreement attached hereto as Exhibit 10.3.

The CVS common stock will trade on the New York Stock Exchange under the symbol “CVS”. Following consummation of the merger, the Caremark common stock was delisted from the New York Stock Exchange.

The issuance of CVS common stock in connection with the merger, as described above, was registered under the Securities Act of 1933, as amended (the “**Securities Act**”), pursuant to a registration statement on Form S-4/A (File No. 333-139470), filed with the Securities and Exchange Commission (“**SEC**”) on January 18, 2007 and declared effective on January 19, 2007. The joint proxy statement/prospectus (the “**Joint Proxy Statement/Prospectus**”) included in the registration statements contains additional information about the merger and the related transactions. Additional information about the merger is also contained in Current Reports on Form 8-K filed by the Corporation and by Caremark and incorporated by reference into the Joint Proxy Statement/Prospectus.

A copy of the Corporation’s press release dated March 22, 2007 announcing the closing of the merger is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Section 5 - Corporate Governance and Management

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 21, 2007, Thomas P. Gerrity and Alfred J. Verrecchia each resigned from the Corporation’s board of directors.

On March 21, 2007, each of the following former members of the Caremark board of directors was elected, subject to and effective upon the effective time of the merger, to the Corporation’s board of directors (and to the indicated Committees of the Board):

Edwin M. Crawford, 58, Executive Committee

Edwin M. Banks, 44, Audit Committee, Nominating and Corporate Governance Committee

C. David Brown II, 55, Executive Committee, Management Planning and Development Committee, Nominating and Corporate Governance Committee

Roger L. Headrick, 70, Executive Committee, Audit Committee

Jean-Pierre Millon, 56, Management Planning and Development Committee

C.A. Lance Piccolo, 66

Kristen E. Gibney Williams, 58, Audit Committee

Additionally, as provided in the Merger Agreement, subject to and effective upon the effective time of the merger, Thomas M. Ryan resigned from the position of Chairman of the board of directors of the Corporation (without resigning or otherwise affecting his positions as president and chief executive officer of the Corporation or as a director of the Corporation) and the Corporation's board of directors appointed Edwin M. Crawford as Chairman of the Corporation's board of directors. In connection with his former employment with Caremark, Mr. Crawford was covered by Caremark benefit plans and arrangements including those previously disclosed in the Joint Proxy Statement/Prospectus, the relevant portions of which are attached as Exhibit 99.3 hereto.

A copy of the Corporation's press release dated March 22, 2007 announcing the members of the Corporation's board of directors is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On March 22, 2007, in connection with the Merger Agreement and as approved at the special meeting of stockholders of the Corporation on March 15, 2007, the Corporation adopted amendments to its Amended and Restated Certificate of Incorporation to increase the authorized number of shares of CVS common stock from 1 billion to 3.2 billion and to change the name of the Corporation to "CVS/Caremark Corporation". Effective that same date, the Corporation amended its by-laws to reflect the changes contemplated by the Merger Agreement and described in the Joint Proxy Statement/Prospectus (such amendments are in addition to the changes to the by-laws effected on February 2, 2007 and disclosed in the Current Report on Form 8-K filed by the Corporation on February 2, 2007). The Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation and the amended by-laws of the Corporation are attached hereto as Exhibits 3.1 and 3.2, respectively, and are incorporated herein by reference.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(a) Financial statements of business acquired.

Historical financial statements for Caremark were previously reported in the Registration Statement on form S-4/A filed by the Corporation on January 18, 2007.

(b) Pro forma financial information

Pro forma financial statements for the Corporation were previously reported in the Current Report on form 8-K filed by the Corporation on March 8, 2007.

(d) Exhibits

Exhibit No.	Document
3.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of CVS Corporation
3.2	By-laws of CVS/Caremark Corporation
10.1	Five Year Credit Agreement, dated as of March 12, 2007, among CVS Corporation, the Lenders party thereto, Lehman Commercial Paper Inc., and Wachovia Bank, National Association, as Co-Syndication Agents, Morgan Stanley Senior Funding, Inc., as Documentation Agent, and The Bank of New York, as Administrative Agent.
10.2	364 Day Credit Agreement, dated as of March 12, 2007, among CVS Corporation, the Lenders party thereto, Lehman Commercial Paper Inc., and Wachovia Bank, National Association, as Co-Syndication Agents, and The Bank of New York, as Administrative Agent.
10.3	Bridge Credit Agreement, dated as of March 15, 2007, among CVS Corporation, the Lenders party thereto, Lehman Commercial Paper Inc, as Administrative Agent, Morgan Stanley Senior Funding, Inc., as Syndication Agent, The Bank of New York, Bank of America, N.A. and Wachovia Bank, National Association, as Co-Documentation Agents.
10.4	Global Amendment dated as of March 15, 2007, to (i) Five Year Credit Agreement dated as of June 11, 2004, (ii) Five Year Credit Agreement dated as of June 3, 2005, (iii) Five Year Credit Agreement dated as of May 12, 2006, (iv) Five Year Credit Agreement, dated as of March 12, 2007, and (v) 364 Day Credit Agreement, dated as of March 12, 2007.
99.1	Press Release (“CVS/Caremark Merger Closes, Creating the Nation’s Leading Pharmacy Services Company”), dated March 22, 2007, of CVS/Caremark Corporation
99.2	Press Release (“CVS/Caremark Corporation Announces Board of Directors”), dated March 22, 2007, of CVS/Caremark Corporation
99.3	E. Mac Crawford’s Pre-existing Caremark Employment Arrangements and Benefits

SIGNATURES

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

CVS/CAREMARK CORPORATION

Date: March 22, 2007

By: /s/ David B. Rickard

Name: David B. Rickard

Title: Executive Vice President, Chief Financial
Officer and Chief Administrative Officer

EXHIBIT INDEX

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CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF CVS CORPORATION

IT IS HEREBY CERTIFIED THAT:

A. The name of the corporation (hereinafter referred to as the “Corporation”) is CVS CORPORATION. The date of filing of its original Certificate of Incorporation with the Secretary of State of Delaware is August 22, 1996.

B. At a meeting of the Board of Directors of the Corporation on November 1, 2006, resolutions were duly adopted approving the following proposed amendment of the Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”) of the Corporation and declaring said amendment to be advisable. The proposed amendment was as follows:

1. Article FIRST shall be deleted and replaced in its entirety with the following new Article FIRST:

FIRST: The name of the Corporation is “CVS/Caremark Corporation”.

2. The first paragraph of Article FOURTH shall be deleted and replaced in its entirety with the following new first paragraph of Article FOURTH:

FOURTH: The authorized capital stock of the corporation consists of 3,200,000,000 shares of Common Stock, par value \$.01 per share (“Common Stock”), (ii) 120,619 shares of Cumulative Preferred Stock, par value \$0.01 per share (“Preferred Stock”), and (iii) 50,000,000 shares of Preference Stock, par value \$1 per share (“Preference Stock”).

C. Thereafter, pursuant to a resolution of its Board of Directors, a meeting of stockholders of the Corporation was duly called and held, on March 15, 2007 upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware, at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

D. The amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation law of the State of Delaware.

E. The effective time of this Certificate of Amendment to the Amended and Restated Certificate of Incorporation of CVS Corporation shall be 3:01 a.m., Eastern Daylight Time, on March 22, 2007.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed by Zenon P. Lankowsky, an authorized officer of the Corporation, this 21st day of March, 2007.

CVS CORPORATION

By: /s/ Zenon P. Lankowsky
Name: Zenon P. Lankowsky
Title: Secretary

BY-LAWS
OF
CVS/CAREMARK CORPORATION

(as amended and restated March 22, 2007)

Article I

STOCKHOLDERS

Section 1. ANNUAL MEETING. The annual meeting of the stockholders of the corporation for the purpose of electing directors and for the transaction of such other business as may be brought before the meeting, shall be held at the principal office of the corporation, or at such other place within or without the State of Delaware stated in the notice of the meeting as the Board of Directors may determine, on such day in the month of April or May as the Board of Directors may determine, at 10:00 o'clock in the forenoon, Rhode Island time, or at such other hour stated in the notice of the meeting as the Board of Directors may determine.

Section 2. SPECIAL MEETINGS. Special meetings of stockholders may be called by the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer and may not be called by any other person.

Special meetings shall be held at such place within or without the State of Delaware as is specified in the call thereof.

Section 3. NOTICE OF MEETING; WAIVER. Unless otherwise required by statute, the notice of every meeting of the stockholders shall be in writing and signed by the Chairman of the Board of Directors or the Chief Executive Officer (or the President or a Vice President or the Secretary or an Assistant Secretary, in each case acting at the direction of the Chairman or the Chief Executive Officer) and shall state the time when and the place where it is to be held, and a copy thereof shall be served, either personally or by mail, upon each stockholder of record entitled to vote at such meeting, not less than ten nor more than sixty days before the meeting. If the meeting to be held is other than the annual meeting of stockholders, the notice shall also state the purpose or purposes for which the meeting is called and shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. If, at any meeting, action is proposed to be taken which would, if taken, entitle stockholders to receive payment for their shares pursuant to Section 262 of the General Corporation Law of the State of Delaware, the notice of such meeting shall include a statement of that purpose and to that effect. If the notice is mailed, it shall be directed to a stockholder at the stockholder's address as it appears on the record of stockholders unless the stockholder shall have filed with the Secretary of the corporation a written request that notices intended for the stockholder be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Notice of a meeting need not be given to any stockholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of a stockholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by the stockholder.

Section 4. QUORUM. At any meeting of the stockholders the holders of a majority of the shares entitled to vote and being present in person or represented by proxy shall constitute a quorum for all purposes, unless the representation of a different number shall be required by law or by another provision of these by-laws, and in that case the representation of the number so required shall constitute a quorum.

If the holders of the amount of shares necessary to constitute a quorum shall fail to attend in person or by proxy, the holders of a majority of the shares present in person or represented by proxy at the meeting may adjourn from time to time without further notice other than by an announcement made at the meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 5. ORGANIZATION. The Chairman of the Board of Directors or, in his absence, the Chief Executive Officer or, in his absence, the President, any Executive Vice President, Senior Vice President or Vice President in the order of their seniority or in such other order as may be designated by the Board of Directors, shall call meetings of the stockholders to order and shall act as chairman of such meetings. The Board of Directors or the Executive Committee may appoint any stockholder to act as chairman of any meeting in the absence of any of such officers and in the event of such absence and the failure of such board or committee to appoint a chairman, the stockholders present at such meeting may nominate and appoint any stockholder to act as chairman.

The Secretary of the corporation, or, in his absence, an Assistant Secretary, shall act as secretary of all meetings of stockholders, but, in the absence of said officers, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 6. VOTING. At each meeting of the stockholders every stockholder of record having the right to vote shall be entitled to vote either in person or by proxy.

Section 7. ACTION BY WRITTEN CONSENT. Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon. Written consent thus given by the holders of all outstanding shares entitled to vote shall have the same effect as a unanimous vote of the stockholders.

Section 8. INSPECTORS OF ELECTION. The Board of Directors, in advance of any stockholders' meeting, may appoint one or more Inspectors of Election to act at the meeting or any adjournment thereof. If Inspectors are not so appointed, the person presiding at a stockholders' meeting may, and on the request of any stockholder entitled to vote thereat, shall appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Inspectors shall be sworn.

Section 9. CONDUCT OF ELECTION. At each meeting of the stockholders, votes, proxies, consents and ballots shall be received, and all questions touching the qualification of voters, the validity of proxies and the acceptance or rejection of votes, shall be decided by the Inspectors of Election.

Section 10. NOMINATION OF DIRECTORS. Only persons who are nominated in accordance with the procedures set forth in these by-laws shall be eligible to serve as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this Section 10, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section 10. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders; *provided, however*, that in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 60 days after such anniversary date then to be timely such notice must be received by the corporation no later than the later of 70 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting was made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of such stockholder and (ii) the class and number of shares of the corporation which are beneficially owned by such stockholder. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible to serve as a director of the corporation unless nominated in accordance with the procedures set forth in this by-law. The chairman

of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the by-laws,

and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 10, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to the matters set forth in this Section 10.

Section 11. NOTICE OF BUSINESS. At any meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation who is a stockholder of record at the time of giving of the notice provided for in this Section 11, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 11. For business to be properly brought before a stockholder meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 60 days after such anniversary date then to be timely such notice must be received by the corporation no later than the later of 70 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the corporation which are beneficially owned by the stockholder and (d) any material interest of the stockholder in such business. Notwithstanding anything in the by-laws to the contrary, no business shall be conducted at a stockholder meeting except in accordance with the procedures set forth in this Section 11. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of the by-laws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing, provisions of this Section 11, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to the matters set forth in this Section 11.

Article II

BOARD OF DIRECTORS

Section 1. NUMBER OF DIRECTORS. The number of directors of the corporation shall be not less than three nor more than eighteen, as determined (subject to Article V, Section 2) by action of the Board of Directors.

Section 2. TERM AND VACANCIES. Subject to Article V, Section 2, directors shall be elected at the annual meeting of stockholders to hold office until the next annual meeting and until their respective successors have been duly elected and have qualified.

Subject to Article V, Section 2, vacancies in the Board of Directors, from any cause whatsoever, including vacancies created by an increase in the number of directors, shall be filled by the vote of a majority of the remaining directors, though less than a quorum.

Directors need not be stockholders.

Section 3. MAJORITY VOTING. Except as otherwise provided in Section 4 of this Article II, each director shall be elected by the vote of the majority of the votes cast with respect to that director's election at any meeting for the election of directors at which a quorum is present. For purposes of this Section 3, a majority of votes cast means that the number of votes "for" a director's election must exceed 50% of the votes cast with respect to that director's election. Votes "against" a director's election will count as a vote cast, but "abstentions" and "broker non-votes" will not count as a vote cast with respect to that director's election.

Section 4. CONTESTED ELECTIONS. If, as of the last date by which stockholders may submit notice to nominate a person for election as a director pursuant to Article I, Section 10 of these by-laws, the number of nominees for any election of directors, exceeds the number of directors to be elected (a "Contested Election"), the

nominees receiving a plurality of the votes cast by holders of shares entitled to vote in the election at a meeting at which a quorum is present shall be elected.

Section 5. RESIGNATION AND REPLACEMENT OF UNSUCCESSFUL INCUMBENT DIRECTOR.

(i) In order for any incumbent director to become a nominee of the Board of Directors for further service on the Board of Directors, such person must submit an irrevocable resignation, which resignation shall become effective upon (i) that person not receiving a majority of the votes cast in an election that is not a Contested Election, and (ii) acceptance by the Board of Directors of that resignation in accordance with the policies and procedures adopted by the Board of Directors for such purpose.

(ii) The Board of Directors, acting on the recommendation of the Nominating and Corporate Governance Committee, shall no later than at its first regularly scheduled meeting following certification of the shareholder vote, determine whether to accept the resignation of the unsuccessful incumbent. Absent a determination by the Board of Directors that a compelling reason exists for concluding that it is in the best interests of the corporation for an unsuccessful incumbent to remain as a director, no such person shall be elected by the Board of Directors to serve as a director, and the Board of Directors shall accept that person's resignation.

(iii) The Board of Directors shall promptly consider and act upon the Nominating and Corporate Governance Committee's recommendation. The Nominating and Corporate Governance Committee, in making this recommendation and the Board of Directors, in acting on such recommendation, may consider any factors or other information that they determine appropriate and relevant.

(iv) If the Board of Directors determines to accept the resignation of an unsuccessful incumbent, the Nominating and Corporate Governance Committee shall promptly recommend a candidate to the Board of Directors to fill the office formerly held by the unsuccessful incumbent.

(v) The Nominating and Corporate Governance Committee and the Board of Directors shall take the actions required under this Section 5 without the participation of any unsuccessful incumbent except that:

(a) If every member of the Nominating and Corporate Governance Committee is an unsuccessful incumbent, then a majority of the Board of Directors shall appoint a Board committee (the "Special Nominating Committee") of independent directors (as defined below) for the purpose of considering the tendered resignations and making a recommendation to the Board of Directors whether to accept or reject them; and

(b) If the number of independent directors who are not unsuccessful incumbents is three or fewer, all directors may participate in the decisions under this Section 5.

As used above, the term "independent director" shall mean a director who complies with the "independent director" requirements under the rules of the New York Stock Exchange, Inc., under law or under any rule or regulation of any other regulatory body or self regulatory body applicable to the corporation.

(vi) If the Board of Directors accepts the resignation of a director who is an unsuccessful incumbent pursuant to this by-law, or if a nominee for director who is not an incumbent director does not receive more than 50% of the votes cast with respect to that director's election, then the Board of Directors may fill the resulting vacancy pursuant to Section 2, or may decrease the size of the Board of Directors pursuant to the provisions of Section 1.

Section 6. RESIGNATION. Any director may resign at any time upon notice given in writing or by electronic transmission to the Chairman of the Board of Directors or to the Secretary of the corporation. A resignation is effective when the resignation is delivered unless the resignation specifies (a) a later effective date or (b) an effective date determined upon the happening of an event or events (including but not limited to a failure to receive more than 50% of the votes cast in an election and the Board of Director's acceptance of the resignation).

Section 7. GENERAL POWERS OF DIRECTORS. The business of the corporation shall be managed under the direction of its Board of Directors subject to the restrictions imposed by law, by the corporation's certificate of incorporation and amendments thereto, or by these by-laws.

Section 8. MEETINGS OF DIRECTORS. The directors may hold their meetings and may keep an office and maintain the books of the corporation, except as otherwise provided by statute, in such place or places in the State of Delaware or outside the State of Delaware as the Board may, from time to time, determine.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the directors consent in writing to the adoption of a resolution authorizing the action, and in such event the resolution and the written consent of all directors thereto shall be filed with the minutes of the proceedings of the Board of Directors.

Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 9. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at the principal office of the corporation in the County of Providence, City of Woonsocket, State of Rhode Island, or at such other place within or without the State of Delaware as shall be designated in the notice of the meeting as follows: One meeting shall be held immediately following the annual meeting of stockholders and further meetings shall be held at such intervals or on such dates as may from time to time be fixed by the Board of Directors, all of which meetings shall be held upon not less than four days' notice served upon each director by mailing such notice to the director at the director's address as the same appears upon the records of the corporation, except the meeting which shall be held immediately following the annual meeting of stockholders which meeting shall be held without notice.

Section 10. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held whenever called by the direction of the Chairman of the Board of Directors, or of the Chief Executive Officer of the corporation, or of one-third of the directors at the time in office. The Secretary shall give notice of each special meeting by mailing such notice not less than four days, or by telegraphing or telecopying such notice not less than two days, before the date set for a special meeting, to each director.

Section 11. WAIVER. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

Section 12. QUORUM. At a meeting, a majority of the directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time.

Section 13. ORDER OF BUSINESS. At meetings of the Board of Directors business shall be transacted in such order as the Board of Directors may fix and determine.

At all meetings of the Board of Directors, the Chairman of the Board of Directors, or in his absence, the Chief Executive Officer, or in the absence of both, the President, any Executive Vice President or any Vice President (provided such person be a member of the Board of Directors) shall preside.

Section 14. ELECTION OF CHAIRMAN, OFFICERS AND COMMITTEES. At the first regular meeting of the Board of Directors in each year, at which a quorum shall be present, held next after the annual meeting of the stockholders, the Board of Directors shall proceed to the election of the Chairman of the Board, of the executive officers of the corporation, and of the Executive Committee, if the Board of Directors shall provide for such committee under the provisions of Article III hereof.

Except as otherwise provided herein, the Board of Directors from time to time may fill any vacancies among the executive officers, members of the Executive Committee and members of other committees, and may appoint additional executive officers and additional members of such Executive Committee or other committees.

Section 15. COMPENSATION. Directors who are not officers or employees of the corporation or any of its subsidiaries may receive such remuneration as the Board may fix, in addition to a fixed sum for attendance at each regular or special meeting of the Board or a Committee of the Board; provided, however, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity or receiving compensation therefor. In addition, each director shall be entitled to reimbursement for expenses incurred in attending any meeting of the Board or Committee thereof.

Article III

COMMITTEES

Section 1. EXECUTIVE COMMITTEE. The Board of Directors by resolution adopted by a majority of the entire Board, may (subject to Article V, Section 2), designate from the Directors an Executive Committee consisting of three or more, to serve at the pleasure of the Board. At all times when the Board of Directors is not in session, the Executive Committee so designated shall have and exercise the powers of the Board of Directors, except that such committee shall have no authority as to the matters set out in Section 3 of this Article III.

Meetings of the Executive Committee shall be called by any member of the same, on three days' mailed notice, or one day's telegraphed or telecopied notice to each of the other members, stating therein the purpose for which such meeting is to be held. Notice of meeting may be waived, in writing, by any member of the Executive Committee.

All action by the Executive Committee shall be recorded in its minutes and reported from time to time to the Board of Directors.

The Executive Committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the Board of Directors.

Any action required or permitted to be taken by the Executive Committee may be taken without a meeting if all of the members of the Executive Committee consent in writing to the adoption of a resolution authorizing the action, and in such event the resolution and the written consent of all members of the Executive Committee thereto shall be filed with the minutes of the proceedings of the Executive Committee.

Any one or more members of the Executive Committee may participate in a meeting of the Executive Committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 2. OTHER COMMITTEES. Subject to Article V, Section 2, the Board of Directors may appoint such other committees, of three or more, as the Board shall, from time to time, deem advisable, which committees shall have and may exercise such powers as shall be prescribed, from time to time, by resolution of the Board of Directors, except that such committees shall have no authority as to the matters set out in Section 3 of this Article III.

Actions and recommendations by each committee which shall be appointed pursuant to this section shall be recorded and reported from time to time to the Board of Directors.

Each such committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the Board of Directors.

Any action required or permitted to be taken by any such committee may be taken without a meeting if all of the members of such committee consent in writing to the adoption of a resolution authorizing the action, and in such event the resolution and the written consent of all members of such committee thereto shall be filed with the minutes of the proceedings of such committee.

Any one or more members of any such committee may participate in a meeting of such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the

meeting to hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 3. LIMITATIONS. No committee shall have authority as to the following matters:

- (1) The approval, adoption, recommendation or submission to stockholders of any action that needs stockholders' authorization.
- (2) The filling of vacancies in the Board of Directors or in any committee.
- (3) The fixing of compensation of the directors for serving on the Board of Directors or on any committee.
- (4) The amendment or repeal of the by-laws, or the adoption of new by-laws.
- (5) The amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 4. ALTERNATES. The Board of Directors may designate one or more directors as alternate members of any such committees, who may replace any absent member or members at any meeting of such committees.

Section 5. COMPENSATION. Members of special or standing committees may receive such salary for their services as the Board of Directors may determine; provided, however, that nothing herein contained shall be construed to preclude any member of any such committee from serving the corporation in any other capacity or receiving compensation therefor.

Article IV

OFFICERS AND CHAIRMAN

Section 1. TITLES AND TERMS OF OFFICE. The executive officers of the corporation shall be a Chief Executive Officer and a President, each of whom shall be a member of the Board of Directors, such number of Executive Vice Presidents, Senior Vice Presidents and Vice Presidents as the Board of Directors shall determine, and a Controller, a Treasurer and a Secretary, all of whom shall be chosen by the Board of Directors.

The Board of Directors may also appoint one or more Assistant Secretaries and one or more Assistant Treasurers, and such other junior officers as it shall deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors.

Any two or more offices except President and Vice President may be held by the same person.

The officers of the corporation shall each hold office for one year and until their successors are chosen and qualified, and, except as set forth herein, shall be subject to removal at any time by the affirmative vote of the majority of the entire Board of Directors.

Section 2. CHAIRMAN OF THE BOARD. The Board of Directors shall designate a Chairman of the Board (or one or more Co-Chairmen of the Board). The Chairman of the Board shall preside over the meetings of the Board of Directors and of the stockholders at which he will be present. If there be more than one, the Co-Chairmen designated by the Board of Directors will perform such duties. The Chairman or Chairmen of the Board shall perform such other duties as may be assigned to him or them by the Board of Directors. As of the Effective Time (as defined in Article V below), Mr. Mac Crawford shall be the Chairman of the Board of Directors (and for so long as Mr. Mac Crawford is Chairman, the Board of Directors shall not designate a Co-Chairman).

Section 3. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer of the corporation shall have general management and control over the policy, business and affairs of the corporation and shall have such other authority and perform such other duties as usually appertain to a chief executive officer of a business corporation. He shall exercise the powers of the Chairman of the Board of Directors during the Chairman's absence or inability

to act. As of the Effective Time, Mr. Thomas M. Ryan shall be the Chief Executive Officer of the corporation until his resignation, death or removal as set forth herein. Any removal of the Chief Executive Officer or other modification to the preceding sentence prior to January 1, 2010 shall require the approval of three-quarters of the members of the Board of Directors.

Section 4. **PRESIDENT.** The President, if any, shall have such authority and shall perform such duties as the Board of Directors, the Executive Committee, or the Chief Executive Officer may from time to time determine.

Section 5. **EXECUTIVE VICE PRESIDENTS, SENIOR VICE PRESIDENTS AND VICE PRESIDENTS.** The Executive Vice Presidents, Senior Vice Presidents and Vice Presidents, if any, shall be designated and shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the Executive Committee, the Chief Executive Officer or the President. They shall, in order of their seniority or in such other order as may be designated by the Board of Directors, the Executive Committee, the Chief Executive Officer or the President, exercise the powers of the Chief Executive Officer during the absence or inability to act of the Chief Executive Officer and the President.

Section 6. **CHIEF FINANCIAL OFFICER.** A Chief Financial Officer or other officer designated by the Board of Directors shall be the principal financial officer of the corporation. He shall render to the Board of Directors, whenever the Board may require, an account of the financial condition of the corporation, and shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors, the Executive Committee, the Chief Executive Officer or the President.

Section 7. **CONTROLLER.** A Controller or other officer designated by the Board of Directors shall be the principal accounting officer of the corporation and, subject to the direction of the Chief Financial Officer, he shall have supervision over all the accounts and account books of the corporation. He shall have such other powers and perform such other duties as from time to time may be assigned to him by the Chief Financial Officer, and shall exercise the powers of the Chief Financial Officer during his absence or inability to act.

Section 8. **TREASURER.** The Treasurer shall have custody of the funds and securities of the corporation that come into his hands. When necessary or proper, he may endorse on behalf of the corporation for collection, checks, notes, and other instruments and obligations and shall deposit the same to the credit of the corporation in such bank or banks or depositories as the Board of Directors or the Executive Committee shall designate; whenever required by the Board of Directors or the Executive Committee, he shall render a statement of his cash account; he shall keep, or cause to be kept, books of account, in which shall be entered and kept full and accurate accounts of all monies received and paid out on account of the corporation; he shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors, the Executive Committee, the Chief Executive Officer, the President and the Chief Financial Officer; he shall give bond for the faithful discharge of his duties, if, as, and when the Board of Directors or the Executive Committee may require. He shall perform such other duties as from time to time may be assigned to him by the Board of Directors, the Executive Committee, the Chief Executive Officer, the President or the Chief Financial Officer.

Section 9. **ASSISTANT TREASURER.** Each Assistant Treasurer shall have such powers and perform such duties as may be delegated to him, and the Assistant Treasurers shall, in the order of their seniority, or in such other order as may be designated by the Board of Directors, the Executive Committee, the Chief Executive Officer, the President or the Chief Financial Officer, exercise the powers of the Treasurer during his absence or inability to act.

Section 10. **SECRETARY.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the stockholders and of the Executive Committee, in books provided for that purpose; he shall attend to the giving and serving of all notices of the corporation; and he shall have charge of the certificate books, transfer books and records of stockholders and such other books and records as the Board of Directors or Executive Committee may direct, all of which shall at all reasonable times be open to the inspection of any director upon application during the usual business hours.

He shall keep at the office of the corporation, or at the office of the transfer agent or registrar of the corporation's capital stock, a record containing the names, alphabetically arranged, of all persons who are stockholders of the corporation, showing their places of residence, the number of shares held by them, respectively,

the time when they respectively became the owners thereof, and the amount paid thereon, and such record shall be open for inspection as prescribed by Section 220 of the General Corporate Law of the State of Delaware. He shall in general perform all of the duties incident to the office of Secretary, subject to the control of the Board of Directors, the Executive Committee, the Chairman of the Board of Directors, the Chief Executive Officer and the President.

Section 11. ASSISTANT SECRETARIES. Each Assistant Secretary shall have such powers and perform such duties as may be delegated to him, and the Assistant Secretaries shall, in the order of their seniority, or in such other order as may be designated by the Board of Directors, the Executive Committee, the Chairman of the Board of Directors, the Chief Executive Officer or the President, exercise the powers of the Secretary during his absence or inability to act.

Section 12. VOTING UPON STOCKS. Unless otherwise ordered by the Board of Directors or by the Executive Committee, the Chief Executive Officer of the corporation, or one designated in a proxy executed by him, and in the absence of either, the President, or a person designated in a proxy executed by him, and in the absence of all such, the Executive Vice Presidents, Senior Vice Presidents or the Vice Presidents of the corporation, in the order of their seniority, shall have full power and authority on behalf of the corporation to attend, and to act, and to vote at meetings of stockholders of any corporation in which this corporation may hold stock, and each such officer of the corporation shall have power to sign a proxy deputizing others to vote the same; and all such who shall be so authorized to vote shall possess and may exercise any and all rights and powers incident to the ownership of such stock and which, as the owner thereof, the corporation might have possessed and exercised, if present.

The Board of Directors or the Executive Committee may, by resolution from time to time, confer like powers on any other person or persons, which shall supersede the powers of those designated in the foregoing paragraph.

Section 13. EXECUTION OF CHECKS, ETC. All checks, notes, drafts or other instruments for the payment of money shall be signed on behalf of this corporation by such person or persons and in such manner as the Board of Directors or Executive Committee may prescribe by resolution from time to time.

Article V

CERTAIN OTHER GOVERNANCE MATTERS

Section 1. DEFINITIONS.

“**CVS**” means CVS Corporation, a Delaware corporation.

“**CVS Director**” means each of those seven individuals designated by CVS to serve as members of the Board of Directors as of the Effective Time pursuant to the Merger Agreement (which granted CVS a contractual right to designate such directors).

“**Effective Time**” has the meaning set forth in the Merger Agreement.

“**Merger Agreement**” means the Agreement and Plan of Merger, dated as of November 1, 2006, among CVS, Caremark and Twain MergerSub L.L.C. (f/k/a Twain MergerSub Corp.), as amended by Amendment No. 1, dated as of January 16, 2007.

“**Caremark**” means Caremark Rx, Inc., a Delaware corporation.

“**Caremark Director**” means each of those seven individuals designated by Caremark to serve as members of the Board of Directors as of the Effective Time pursuant to the Merger Agreement (which granted Caremark a contractual right to designate such directors).

Section 2. MEMBERSHIP OF THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD.

(a) Effective as of the Effective Time, the Board of Directors shall consist of fourteen directors. Commencing at the Effective Time, each of the Caremark Directors and the CVS Directors shall hold office until the

first annual meeting of stockholders after the Effective Time (the “**First Annual Meeting**”) and until his successor shall be elected and qualify.

(b) In the event of the death, removal or resignation of one of the Caremark Directors prior to the First Annual Meeting, the remaining Caremark Directors shall designate an individual to fill such vacancy; provided that, prior to the First Annual Meeting, each such Caremark Director may only be removed by majority vote of the other Caremark Directors.

(c) In the event of the death, removal or resignation of one of the CVS Directors prior to the First Annual Meeting, the remaining CVS Directors shall designate an individual to fill such vacancy; provided that, prior to the First Annual Meeting, each such CVS Director may only be removed by majority vote of the other CVS Directors.

(d) At the Effective Time, (i) the Chairman of the Audit Committee of the Board of Directors shall be designated by the Caremark Directors, and (ii) the Chairman of each of the Management, Planning and Development Committee and the Nominating and Corporate Governance Committee of the Board of Directors shall be designated by the CVS Directors.

(e) As of the Effective Time, the Executive Committee of the Board of Directors shall consist of four directors, being: the Chairman of the Board, one other Caremark Director, the Chief Executive Officer and one other CVS Director.

Section 3. HEADQUARTERS. As of the Effective Time, the headquarters of the pharmacy benefits management business of the corporation shall be located in Nashville, Tennessee. Any decision to change this location prior to the third anniversary of the Effective Time shall require the approval of three-quarters of the members of the Board of Directors.

Section 4. NAME OF THE CORPORATION. Any change to the name of the corporation shall require the approval of three quarters of the members of the Board of Directors.

Section 5. AMENDMENTS. Any amendment by the Board of Directors of this Article V, or any other provision contained in these Bylaws requiring approval for an action by at least three quarters of the members of the Board of Directors, shall require the approval of three quarters of the members of the Board of Directors.

Article VI

STOCK; RECORD DATE

Section 1. CERTIFICATES FOR STOCK; UNCERTIFICATED SHARES. The certificates for shares of the stock of the corporation shall be in such form as shall be proper or approved by the Board of Directors; provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock of the corporation shall be uncertificated shares. Notwithstanding the foregoing or the adoption of such a resolution or resolutions by the Board of Directors, each holder of uncertificated shares shall be entitled, upon request, to a certificate representing such shares, to be in such form as the Board shall have approved. Any such resolution shall not apply to any share represented by a certificate theretofore issued until such certificate is surrendered to the corporation. Each certificate shall state (i) that the corporation is formed under the laws of the State of Delaware, (ii) the name of the person or persons to whom issued, (iii) the number and class of shares and the designation of the series, if any, which such certificate represents and (iv) the par value, if any, of each share represented by such certificate. Each certificate shall be signed by the Chairman of the Board of Directors, Chief Executive Officer, the President, an Executive Vice-President or a Vice-President, and also by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary and sealed with the corporation’s seal; provided, however, that if such certificates are signed by a transfer agent or transfer clerk and by a registrar the signature of the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Executive Vice President, Vice-President, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary and the seal of the corporation upon such certificates may be facsimiles, engraved or printed. Except as otherwise provided by law, the rights and obligations of the holders of

uncertificated shares and the rights and obligations of the holders of shares represented by certificates of the same class and series shall be identical.

Section 2. TRANSFER OF SHARES. Shares of the stock of the corporation may be transferred on the record of stockholders of the corporation by the holder thereof in person or by his duly authorized attorney upon surrender of a certificate therefor properly endorsed or upon receipt of proper transfer instructions from the holder of uncertificated shares.

Section 3. AUTHORITY FOR ADDITIONAL RULES REGARDING TRANSFER. The Board of Directors and the Executive Committee shall have power and authority to make all such rules and regulations as respectively they may deem expedient concerning the issue, transfer and registration of certificated or uncertificated shares of the stock of the corporation, as well as for the issuance of new certificates in lieu of those which may be lost or destroyed, and may require of any stockholder requesting replacement of lost or destroyed certificates, bond in such amount and in such form as they may deem expedient to indemnify the corporation, and/or the transfer agents, and/or the registrars of its stock against any claims arising in connection therewith.

Section 4. TRANSFER AGENTS AND REGISTRARS. The Board of Directors or Executive Committee may appoint one or more transfer agents and one or more registrars of transfer and may require all stock certificates to be countersigned by such transfer agent and registered by such registrar of transfers. One person or organization may serve as both transfer agent and registrar.

Section 5. RECORD DATE. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining stockholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors shall fix in advance a date as the record date for any such determination of stockholders. Such date shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

Section 6. LIST OF STOCKHOLDERS AS OF RECORD DATE. The Secretary of the corporation or the transfer agent of its stock shall make and certify a list of the stockholders as of the record date and number of shares of each class of stock of record in the name of each stockholder and such list shall be present at every meeting of stockholders. If the right to vote at any meeting is challenged, the inspectors of elections, or person presiding thereat, shall require such list of stockholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be stockholders entitled to vote thereat, may vote at such meeting.

Section 7. DIVIDENDS. Dividends may be declared and paid out of the surplus of the corporation as often and at such times and to such extent as the Board of Directors may determine, consistent with the provisions of the certificate of incorporation of the corporation.

Article VII

CORPORATE SEAL

The Board of Directors shall provide a suitable seal containing the name of the corporation and of the state under the laws of which the corporation was incorporated; and the Secretary shall have the custody thereof.

Article VIII

AMENDMENTS

Section 1. Subject to Article V, Section 5, these by-laws or any of them, may be altered, amended or repealed, or new by-laws may be made by the stockholders entitled to vote thereon at any annual or special meeting thereof or by the Board of Directors.

FIVE YEAR CREDIT AGREEMENT

by and among

CVS CORPORATION,

THE LENDERS PARTY HERETO,

LEHMAN COMMERCIAL PAPER INC. and
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Documentation Agent,

and

THE BANK OF NEW YORK,
as Administrative Agent

Dated as of March 12, 2007

BNY CAPITAL MARKETS, INC. and BANC OF AMERICA SECURITIES LLC
as Co-Lead Arrangers and Joint Bookrunners

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FIVE YEAR CREDIT AGREEMENT, dated as of March 12, 2007, by and among **CVS CORPORATION**, a Delaware corporation (the “**Borrower**”), the Lenders party hereto from time to time (each a “**Lender**” and, collectively, the “**Lenders**”), **LEHMAN COMMERCIAL PAPER INC.** and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as co-syndication agents (in such capacity, each a “**Co-Syndication Agent**”), **MORGAN STANLEY SENIOR FUNDING, INC.**, as documentation agent (in such capacity, the “**Documentation Agent**”), and **THE BANK OF NEW YORK (“BNY”)**, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”).

1. DEFINITIONS AND PRINCIPLES OF CONSTRUCTION

1.1 Definitions

When used in any Loan Document (as defined below), each of the following terms shall have the meaning ascribed thereto unless the context otherwise specifically requires:

“**ABR Advances**”: the Revolving Credit Loans (or any portions thereof) at such time as they (or such portions) are made or are being maintained at a rate of interest based upon the Alternate Base Rate.

“**Accumulated Funding Deficiency**”: as defined in Section 302 of ERISA.

“**Acquisition**”: with respect to any Person, the purchase or other acquisition by such Person, by any means whatsoever (including by devise, bequest, gift, through a dividend or otherwise), of (a) stock of, or other equity securities of, any other Person if, immediately thereafter, such other Person would be either a consolidated subsidiary of such Person or otherwise under the control of such Person, (b) any business, going concern or division or segment thereof, or (c) the Property of any other Person other than in the ordinary course of business, *provided* that (i) no acquisition of substantially all of the assets, or any division or segment, of such other Person shall be deemed to be in the ordinary course of business and (ii) no redemption, retirement, purchase or acquisition by any Person of the stock or other equity securities of such Person shall be deemed to constitute an Acquisition.

“**Administrative Agent**”: as defined in the preamble.

“**Administrative Questionnaire**”: an Administrative Questionnaire in a form supplied by the Administrative Agent.

“**Affected Advance**”: as defined in Section 3.8(b) .

“**Affiliate**”: with respect to any Person at any time and from time to time, any other Person (other than a wholly-owned subsidiary of such Person) which, at such time (a) controls such Person, (b) is controlled by such Person or (c) is under common control with such Person. The term “control”, as used in this definition with respect to any Person, means the power, whether direct or indirect through one or more intermediaries, to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise.

“Aggregate Commitment Amount”: at any time, the sum of the Commitment Amounts of the Lenders at such time under this Agreement.

“Aggregate Credit Exposure”: at any time, the sum at such time of (a) the aggregate Committed Credit Exposure of the Lenders at such time under this Agreement and (b) the aggregate outstanding principal balance of all Competitive Bid Loans at such time under this Agreement.

“Agreement”: this Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Alternate Base Rate”: for any day, a rate per annum equal to the greater of (a) the BNY Rate in effect on such day, or (b) 0.50% plus the Federal Funds Effective Rate (rounded, if necessary, to the nearest 1/100th of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) in effect on such day.

“Applicable Margin”: (i) with respect to the unpaid principal balance of ABR Advances, the applicable percentage set forth below in the column entitled “ABR Advances”, (ii) with respect to the unpaid principal balance of Eurodollar Advances, the applicable percentage set forth below in the column entitled “Eurodollar Advances”, (iii) with respect to the Facility Fee, the applicable percentage set forth below in the column entitled “Facility Fee”, (iv) with respect to the Letter of Credit Participation Fee, the applicable percentage set forth below in the column entitled “Participation Fee”, and (v) with respect to the Utilization Fee, the applicable percentage set forth below in the column entitled “Utilization Fee”, in each case opposite the applicable Pricing Level:

Pricing Level	ABR Advances	Eurodollar Advances	Facility Fee	Participation Fee	Utilization Fee
Pricing Level I	0%	0.150%	0.050%	0.150%	0.050%
Pricing Level II	0%	0.190%	0.060%	0.190%	0.050%
Pricing Level III	0%	0.230%	0.070%	0.230%	0.050%
Pricing Level IV	0%	0.270%	0.080%	0.270%	0.100%
Pricing Level V	0%	0.300%	0.100%	0.300%	0.100%
Pricing Level VI	0%	0.400%	0.150%	0.400%	0.100%

Decreases in the Applicable Margin resulting from a change in Pricing Level shall become effective upon the delivery by the Borrower to the Administrative Agent of a notice pursuant to Section 7.7(d). Increases in the Applicable Margin resulting from a change in Pricing Level shall become effective on the effective date of any downgrade or withdrawal in the rating by Moody’s or S&P of the senior unsecured long term debt rating of the Borrower.

“Approved Fund”: with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Assignment and Acceptance Agreement”: an assignment and acceptance agreement executed by an assignor and an assignee pursuant to which, subject to the terms and conditions hereof and thereof, the assignor assigns to the assignee all or any portion of such assignor’s Loans, Notes and Commitment, substantially in the form of Exhibit E.

“Benefited Lender”: as defined in Section 11.9(b) .

“BNY”: as defined in the preamble.

“BNY Rate”: a rate of interest per annum equal to the rate of interest publicly announced in New York City by BNY from time to time as its prime commercial lending rate, such rate to be adjusted automatically (without notice) on the effective date of any change in such publicly announced rate.

“Borrower”: as defined in the preamble.

“Borrowing Date”: (i) in respect of Revolving Credit Loans, any Domestic Business Day or Eurodollar Business Day, as the case may be, on which the Lenders shall make Revolving Credit Loans pursuant to a Borrowing Request or pursuant to a Mandatory Borrowing, (ii) in respect of Competitive Bid Loans, any Domestic Business Day on which a Lender shall make a Competitive Bid Loan pursuant to a Competitive Bid Request, (iii) in respect of Swing Line Loans, any Domestic Business Day on which the Swing Line Lender shall make a Swing Line Loan pursuant to a Borrowing Request and (iv) in respect of Letters of Credit, any Domestic Business Day on which the Issuer shall issue a Letter of Credit pursuant to a Letter of Credit Request.

“Borrowing Request”: a request for Revolving Credit Loans or Swing Line Loans in the form of Exhibit C.

“Caremark”: Caremark Rx, Inc., a Delaware corporation.

“Caremark Merger”: the merger of Caremark with and into Twain MergerSub Corp., with Twain MergerSub Corp. continuing as the surviving company and a wholly owned subsidiary of the Borrower, pursuant to the Caremark Merger Agreement.

“Caremark Merger Agreement”: the Agreement and Plan of Merger, dated as of November 1, 2006, among the Borrower, Caremark and Twain MergerSub Corp., as amended as of January 16, 2007 (and as further amended, supplemented or otherwise modified from time to time in accordance with Section 8.10) .

“Caremark Merger Anticipatory Commercial Paper”: commercial paper issued by the Borrower under the Commercial Paper Increase prior to and in anticipation of the closing of the Caremark Merger to finance in part the consideration paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid to the Caremark shareholders,

provided that (a) such commercial paper shall mature no later than 60 days following the initial issuance thereof and (b) if the Caremark Merger has not been consummated prior to such maturity, the Borrower shall not have rolled over such commercial paper.

“Caremark Merger Effective Date”: the date on which the Caremark Merger shall have become effective pursuant to the Caremark Merger Agreement.

“Change of Control”: any of the following:

(i) any Person or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), (a) shall have or acquire beneficial ownership of securities having 30% or more of the ordinary voting power of the Borrower or (b) shall possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the Borrower, whether through the ownership of voting securities, by contract or otherwise; or

(ii) the Continuing Directors shall cease for any reason to constitute a majority of the board of directors of the Borrower then in office.

“Commercial Paper Increase”: the increase, to the extent in excess of \$2.75 billion, in the Borrower’s commercial paper program for the purpose, among other things, of providing for the short term financing of the Caremark Merger.

“Commitment”: in respect of any Lender, such Lender’s undertaking to make Revolving Credit Loans, subject to the terms and conditions hereof, in an aggregate outstanding principal amount not to exceed the Commitment Amount of such Lender.

“Commitment Amount”: at any time and with respect to any Lender, the amount set forth adjacent to such Lender’s name under the heading “Commitment Amount” in Exhibit A at such time or, in the event that such Lender is not listed on Exhibit A, the “Commitment Amount” which such Lender shall have assumed from another Lender in accordance with Section 11.7 on or prior to such time, as the same may be adjusted from time to time pursuant to Sections 2.6 and 11.7(c) .

“Commitment Percentage”: at any time and with respect to any Lender, a fraction the numerator of which is such Lender’s Commitment Amount at such time, and the denominator of which is the Aggregate Commitment Amount at such time.

“Commitment Period”: the period commencing on the Effective Date and ending on the Commitment Termination Date, or on such earlier date as all of the Commitments shall have been terminated in accordance with the terms hereof.

“Commitment Termination Date”: the earliest of (i) November 1, 2007, in the event that the Caremark Merger Effective Date has not occurred on or before November 1, 2007, (ii) March 12, 2012 and (iii) the date on which the Loans shall become due and payable, whether by acceleration, notice of intention to prepay or otherwise.

“Committed Credit Exposure”: with respect to any Lender at any time, the sum at such time of (a) the outstanding principal balance of such Lender’s Revolving Credit Loans, (b) the Swing Line Exposure of such Lender and (c) the Letter of Credit Exposure of such Lender.

“Compensatory Interest Payment”: as defined in Section 3.4(c) .

“Competitive Bid”: an offer by a Lender, in the form of Exhibit H, to make one or more Competitive Bid Loans.

“Competitive Bid Accept/Reject Letter”: a notification made by the Borrower pursuant to Section 2.4(d) in the form of Exhibit I.

“Competitive Bid Loan”: as defined in Section 2.4(a) .

“Competitive Bid Rate”: as to any Competitive Bid made by a Lender pursuant to Section 2.4(b), the fixed rate of interest (which shall be expressed in the form of a decimal to no more than four decimal places) offered by such Lender and accepted by the Borrower.

“Competitive Bid Request”: a request by the Borrower, in the form of Exhibit F, for Competitive Bids.

“Competitive Interest Period”: as to any Competitive Bid Loan, the period commencing on the date of such Competitive Bid Loan and ending on the date requested in the Competitive Bid Request with respect thereto, which shall not be earlier than 3 days after the date of such Competitive Bid Loan or later than 180 days after the date of such Competitive Bid Loan, *provided* that if any Competitive Interest Period would end on a day other than a Domestic Business Day, such Interest Period shall be extended to the next succeeding Domestic Business Day, unless such next succeeding Domestic Business Day would be a date on or after the Commitment Termination Date, in which case such Competitive Interest Period shall end on the next preceding Domestic Business Day. Interest shall accrue from and including the first day of a Competitive Interest Period to but excluding the last day of such Competitive Interest Period.

“Consolidated”: the Borrower and the Subsidiaries on a consolidated basis in accordance with GAAP.

“Contingent Obligation”: as to any Person (the “secondary obligor”), any obligation of such secondary obligor (a) guaranteeing or in effect guaranteeing any return on any investment made by another Person, or (b) guaranteeing or in effect guaranteeing any Indebtedness, lease, dividend or other obligation (“primary obligation”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such secondary obligor, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the beneficiary of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (iv) otherwise to assure or hold harmless the beneficiary of such primary obligation

against loss in respect thereof, and (v) in respect of the Indebtedness of any partnership in which such secondary obligor is a general partner, except to the extent that such Indebtedness of such partnership is nonrecourse to such secondary obligor and its separate Property, *provided* that the term “Contingent Obligation” shall not include the indorsement of instruments for deposit or collection in the ordinary course of business.

“*Continuing Director*”: any member of the board of directors of the Borrower who (i) is a member of that board of directors on the Effective Date or (ii) was nominated for election by the board of directors a majority of whom were directors on the Effective Date or whose election or nomination for election was previously approved by one or more of such directors.

“*Control Person*”: as defined in Section 3.6.

“*Convert*”, “*Conversion*” and “*Converted*”: each, a reference to a conversion pursuant to Section 3.3 of one Type of Revolving Credit Loan into another Type of Revolving Credit Loan.

“*Costs*”: as defined in Section 3.6.

“*Co-Syndication Agents*”: as defined in the preamble.

“*Credit Exposure*”: with respect to any Lender at any time, the sum at such time of (a) the Committed Credit Exposure of such Lender at such time under this Agreement and (b) the outstanding principal balance of all Competitive Bid Loans of such Lender at such time under this Agreement.

“*Credit Parties*” means the Administrative Agent, the Co-Syndication Agents, the Documentation Agent, the Swing Line Lender, the Issuer and the Lenders.

“*Default*”: any of the events specified in Section 9.1, whether any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“*Disposition*”: with respect to any Person, any sale, assignment, transfer or other disposition by such Person by any means, of:

(a) the Stock of, or other equity interests of, any other Person,

(b) any business, operating entity, division or segment thereof, or

(c) any other Property of such Person, other than (i) the sale of inventory (other than in connection with bulk transfers), (ii) the disposition of equipment and (iii) the sale of cash investments.

“*Dividend Restrictions*”: as defined in Section 8.7.

“*Documentation Agent*”: as defined in the preamble.

“*Dollar*” or “*\$*”: lawful currency of the United States of America.

“Domestic Business Day”: any day (other than a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City.

“Effective Date”: as defined in Section 11.20.

“Eligible Assignee”: (i) any commercial bank, investment bank, trust company, banking association, financial institution, mutual fund, pension fund or any Approved Fund or (ii) any Lender or any Affiliate or any Approved Fund of such Lender.

“Eligible SPC”: a special purpose corporation that (i) is organized under the laws of the United States or any state thereof, (ii) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody’s.

“Employee Benefit Plan”: an employee benefit plan, within the meaning of Section 3(3) of ERISA, maintained, sponsored or contributed to by the Borrower, any Subsidiary or any ERISA Affiliate.

“Environmental Laws”: all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability”: as to any Person, any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of such Person directly or indirectly resulting from or based upon (i) violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) exposure to any Hazardous Materials, (iv) the release or threatened release of any Hazardous Materials into the environment or (v) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

“ERISA Affiliate”: when used with respect to an Employee Benefit Plan, ERISA, the PBGC or a provision of the Internal Revenue Code pertaining to employee benefit plans, any Person that is a member of any group of organizations within the meaning of Sections 414(b) or (c) of the Internal Revenue Code or, solely with respect to the applicable provisions of the Internal Revenue Code, Sections 414(m) or (o) of the Internal Revenue Code, of which the Borrower or any Subsidiary is a member.

“ESOP Guaranty”: the guaranty of the 8.52% ESOP Note maturing 2008 in the aggregate unpaid principal amount, as of December 30, 2006, of \$82,100,000.

“Eurodollar Advance”: a portion of the Revolving Credit Loans selected by the Borrower to bear interest during a Eurodollar Interest Period selected by the Borrower at a rate per annum based upon a Eurodollar Rate determined with reference to such Interest Period, all pursuant to and in accordance with Section 2.1 or 3.3.

“Eurodollar Business Day”: any Domestic Business Day, other than a Domestic Business Day on which banks are not open for dealings in Dollar deposits in the interbank eurodollar market.

“Eurodollar Interest Period”: the period commencing on any Eurodollar Business Day selected by the Borrower in accordance with Section 2.3 or Section 3.3 and ending one, two, three or six months thereafter, as selected by the Borrower in accordance with either such Sections, subject to the following:

(i) if any Eurodollar Interest Period would otherwise end on a day which is not a Eurodollar Business Day, such Interest Period shall be extended to the immediately succeeding Eurodollar Business Day unless the result of such extension would be to carry the end of such Interest Period into another calendar month, in which event such Interest Period shall end on the Eurodollar Business Day immediately preceding such day; and

(ii) if any Eurodollar Interest Period shall begin on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), such Interest Period shall end on the last Eurodollar Business Day of such latter calendar month.

“Eurodollar Rate”: with respect to each Eurodollar Advance and as determined by the Administrative Agent, the rate of interest per annum (rounded, if necessary, to the nearest 1/100 of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) equal to a fraction, the numerator of which is the rate per annum quoted by BNY at approximately 11:00 A.M. (or as soon thereafter as practicable) two Eurodollar Business Days prior to the first day of such Interest Period to leading banks in the interbank eurodollar market as the rate at which BNY is offering Dollar deposits in an amount approximately equal to its Commitment Percentage of such Eurodollar Advance and having a period to maturity approximately equal to the Interest Period applicable to such Eurodollar Advance, and the denominator of which is an amount equal to 1.00 *minus* the aggregate of the then stated maximum rates during such Interest Period of all reserve requirements (including marginal, emergency, supplemental and special reserves), expressed as a decimal, established by the Board of Governors of the Federal Reserve System and any other banking authority to which BNY and other major United States money center banks are subject, in respect of eurocurrency liabilities.

“Event of Default”: any of the events specified in Section 9.1, *provided* that any requirement for the giving of notice, the lapse of time, or both, or any other condition has been satisfied.

“Existing 2004 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of June 11, 2004, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Securities, Inc., as co-syndication agents, ABN AMRO

Bank N.V., as documentation agent, and BNY, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2005 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of June 3, 2005, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Bank, National Association, as co-syndication agents, SunTrust Bank, as documentation agent, and BNY, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2006 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of May 12, 2006, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Lehman Brothers Inc. and Wachovia Bank, National Association, as co-syndication agents, KeyBank National Association, as documentation agent, and BNY, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Expiration Date”: the first date, occurring on or after the date the Commitments shall have terminated or been terminated in accordance herewith, upon which there shall be no Loans or Letters of Credit outstanding.

“Facility Fee”: as defined in Section 3.11(a) .

“Federal Funds Effective Rate”: for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Domestic Business Day, for the next preceding Domestic Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Domestic Business Day, the average (rounded, if necessary, to the nearest 1/100 of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

“Fees”: as defined in Section 3.2(a) .

“Financial Statements”: as defined in Section 4.13.

“Foreign Lender”: any Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

“GAAP”: generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority”: any foreign, federal, state, municipal or other government, or any department, commission, board, bureau, agency, public authority or instrumentality thereof, or any court or arbitrator.

“Granting Lender”: as defined in Section 11.7(h) .

“Hazardous Materials”: all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Highest Lawful Rate”: as to any Lender, the maximum rate of interest, if any, which at any time or from time to time may be contracted for, taken, charged or received on the Loans or the Notes or which may be owing to such Lender pursuant to this Agreement under the laws applicable to such Lender and this Agreement.

“Indebtedness”: as to any Person at a particular time, all items of such Person which constitute, without duplication, (a) indebtedness for borrowed money or the deferred purchase price of Property (other than trade payables and accrued expenses incurred in the ordinary course of business), (b) indebtedness evidenced by notes, bonds, debentures or similar instruments, (c) indebtedness with respect to any conditional sale or other title retention agreement, (d) indebtedness arising under acceptance facilities and the amount available to be drawn under all letters of credit (excluding for purposes of Sections 8.1 and 8.9 letters of credit obtained in the ordinary course of business by the Borrower or any Subsidiary) issued for the account of such Person and, without duplication, all drafts drawn thereunder to the extent such Person shall not have reimbursed the issuer in respect of the issuer’s payment of such drafts, (e) that portion of any obligation of such Person, as lessee, which in accordance with GAAP is required to be capitalized on a balance sheet of such Person, (f) all indebtedness described in (a) - (e) above secured by any Lien on any Property owned by such Person even though such Person shall not have assumed or otherwise become liable for the payment thereof (other than carriers’, warehousemen’s, mechanics’, repairmen’s or other like non-consensual Liens arising in the ordinary course of business), and (g) Contingent Obligations in respect of any indebtedness described in items (a) - (f) above, *provided* that, for purposes of this definition, Indebtedness shall not include Intercompany Debt and obligations in respect of interest rate caps, collars, exchanges, swaps or other, similar agreements.

“Indemnified Liabilities”: as defined in Section 11.5.

“Indemnified Person”: as defined in Section 11.10.

“Intercompany Debt”: (i) Indebtedness of the Borrower to one or more of the Subsidiaries of the Borrower and (ii) demand Indebtedness of one or more of the Subsidiaries of the Borrower to the Borrower or any one or more of the other Subsidiaries of the Borrower.

“Intercompany Disposition”: a Disposition by the Borrower or any of the Subsidiaries of the Borrower to the Borrower or to any of the other Subsidiaries of the Borrower.

“Interest Payment Date”: (i) as to any ABR Advance, the last day of each March, June, September and December, commencing on the first of such days to occur after such ABR Advance is made or any Eurodollar Advance is converted to an ABR Advance, (ii) as to any Swing Line Loan, the day on which the outstanding principal balance of such Swing Line Loan shall become due and payable in accordance with Section 2.2(a), (iii) as to any Eurodollar Advance in respect of which the Borrower has selected a Eurodollar Interest Period of one, two or three months, the last day of such Eurodollar Interest Period, (iv) as to any Competitive Bid Loan in respect of which the Borrower has selected a Competitive Interest Period of 90 days or less the last day of such Competitive Interest Period and (v) as to any Eurodollar Advance or Competitive Bid Loan in respect of which the Borrower has selected an Interest Period greater than three months or 90 days, as the case may be, the last day of the third month or the 90th day, as the case may be, of such Interest Period and the last day of such Interest Period.

“Interest Period”: a Eurodollar Interest Period, a Swing Line Interest Period or a Competitive Interest Period, as the case may be.

“Internal Revenue Code”: the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

“Invitation to Bid”: an invitation by the Administrative Agent to the Lenders to make Competitive Bids in the form of Exhibit G.

“issue” or “issuance”: when used with respect to a Letter of Credit, shall be deemed to include any increase in the amount of such Letter of Credit.

“Issuer”: BNY.

“Lender”: as defined in the preamble; such term to also include the Swing Line Lender and the Issuer where the context hereof requires or permits such inclusion.

“Letter of Credit”: as defined in Section 2.8.

“Letter of Credit Commitment”: the commitment of the Issuer to issue Letters of Credit in accordance with the terms hereof in an aggregate outstanding face amount not exceeding \$150,000,000 (or, if less, the Aggregate Commitment Amount) at any time, as the same may be reduced pursuant to Section 2.6.

“Letter of Credit Exposure”: at any time, (a) in respect of all Lenders, the sum, without duplication, of (i) the maximum aggregate amount which may be drawn under all unexpired Letters of Credit at such time (whether the conditions for drawing thereunder have or may be satisfied), (ii) the aggregate amount, at such time, of all unpaid drafts (which have not been dishonored) drawn under all Letters of Credit, and (iii) the aggregate unpaid principal amount of the Reimbursement Obligations at such time, and (b) in respect of any Lender, an amount equal to such Lender’s Commitment Percentage at such time multiplied by the amount determined under clause (a) of this definition.

“Letter of Credit Participation”: with respect to each Lender, its obligations to the Issuer under Section 2.9.

“Letter of Credit Participation Fee”: as defined in Section 3.12.

“Letter of Credit Request”: a request in the form of Exhibit J.

“Lien”: any mortgage, pledge, hypothecation, assignment, lien, deposit arrangement, charge, encumbrance or other security arrangement or security interest of any kind, or the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

“Loan”: a Revolving Credit Loan, a Competitive Bid Loan or a Swing Line Loan, as the case may be.

“Loan Documents”: this Agreement and, upon the execution and delivery thereof, the Notes, if any, and the Reimbursement Agreements.

“Loans”: the Revolving Credit Loans, the Competitive Bid Loans and the Swing Line Loans.

“Mandatory Borrowing”: as defined in Section 2.2(b) .

“Margin Stock”: any “margin stock”, as said term is defined in Regulation U of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time.

“Material Adverse”: with respect to any change or effect, a material adverse change in, or effect on, as the case may be, (i) the financial condition, operations, business, or Property of the Borrower and the Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the ability of the Administrative Agent, the Issuer or any Lender to enforce the Loan Documents.

“Moody’s”: Moody’s Investors Service, Inc.

“Multiemployer Plan”: a Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Negotiated Rate”: with respect to each Swing Line Loan, the rate per annum agreed to in writing by the Borrower and the Swing Line Lender as the interest rate which such Swing Line Loan shall bear.

“Net Worth”: at any date of determination, the sum of all amounts which would be included under shareholders’ equity on a Consolidated balance sheet of the Borrower and the Subsidiaries determined in accordance with GAAP as at such date.

“Note”: with respect to each Lender that has requested one, a promissory note evidencing such Lender’s Loans payable to the order of such Lender (or, if required by such Lender, to such Lender and its registered assigns), substantially in the form of Exhibit B.

“Participant”: as defined in Section 11.7(e) .

“Patriot Act”: as defined in Section 11.22.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, or any Governmental Authority succeeding to the functions thereof.

“Pension Plan”: at any time, any Employee Benefit Plan (including a Multiemployer Plan) subject to Section 302 of ERISA or Section 412 of the Internal Revenue Code, the funding requirements of which are, or at any time within the six years immediately preceding the time in question, were in whole or in part, the responsibility of the Borrower, any Subsidiary or an ERISA Affiliate.

“Person”: any individual, firm, partnership, limited liability company, joint venture, corporation, association, business trust, joint stock company, unincorporated association, trust, Governmental Authority or any other entity, whether acting in an individual, fiduciary, or other capacity, and for the purpose of the definition of “ERISA Affiliate”, a trade or business.

“Pricing Level”: Pricing Level I, Pricing Level II, Pricing Level III, Pricing Level IV, Pricing Level V or Pricing Level VI, as the case may be.

“Pricing Level I”: any time when the senior unsecured long term debt rating of the Borrower by (x) S&P is A+ or higher or (y) Moody’s is A1 or higher.

“Pricing Level II”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is A or higher or (y) Moody’s is A2 or higher and (ii) Pricing Level I does not apply.

“Pricing Level III”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is A- or higher or (y) Moody’s is A3 or higher and (ii) neither Pricing Level I nor II applies.

“Pricing Level IV”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB+ or higher or (y) Moody’s is Baa1 or higher and (ii) none of Pricing Level I, II or III applies.

“Pricing Level V”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB or higher or (y) Moody’s is Baa2 or higher and (ii) none of Pricing Level I, II, III or IV applies.

“Pricing Level VI”: any time when none of Pricing Level I, II, III, IV or V applies.

Notwithstanding each definition of Pricing Level set forth above, if at any time the senior unsecured long term debt ratings of the Borrower by S&P and Moody's differ by more than one equivalent rating level, then the applicable Pricing Level shall be determined based upon the lower such rating adjusted upwards to the next higher rating level.

"Principal Office": from time to time, the principal office of BNY, located on the date hereof in New York, New York.

"Prohibited Transaction": a transaction that is prohibited under Section 4975 of the Internal Revenue Code or Section 406 of ERISA and not exempt under Section 4975 of the Internal Revenue Code or Section 408 of ERISA.

"Property": in respect of any Person, all types of real, personal or mixed property and all types of tangible or intangible property owned or leased by such Person.

"Regulatory Change": (a) the introduction or phasing in of any law, rule or regulation after the date hereof, (b) the issuance or promulgation after the date hereof of any directive, guideline or request from any central bank or United States or foreign Governmental Authority (whether or not having the force of law), or (c) any change after the date hereof in the interpretation of any existing law, rule, regulation, directive, guideline or request by any central bank or United States or foreign Governmental Authority charged with the administration thereof, in each case applicable to the transactions contemplated by this Agreement.

"Reimbursement Agreement": as defined in Section 2.8(b) .

"Reimbursement Obligations": all obligations and liabilities of the Borrower due and to become due (a) under the Reimbursement Agreements and (b) hereunder in respect of Letters of Credit.

"Related Parties": with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Replaced Lender": as defined in Section 3.13.

"Replacement Lender": as defined in Section 3.13.

"Reportable Event": with respect to any Pension Plan, (a) any event set forth in Sections 4043(c) (other than a Reportable Event as to which the 30 day notice requirement is waived by the PBGC under applicable regulations), 4062(e) or 4063(a) of ERISA, or the regulations thereunder, (b) an event requiring the Borrower, any Subsidiary or any ERISA Affiliate to provide security to a Pension Plan under Section 401(a)(29) of the Internal Revenue Code, or (c) the failure to make any payment required by Section 412(m) of the Internal Revenue Code.

"Required Lenders": (a) at any time prior to the Commitment Termination Date or such earlier date as all of the Commitments shall have terminated or been terminated in accordance herewith, Lenders having Commitment Amounts equal to or more than 51% of the Aggregate

Commitment Amount, and (b) at all other times, Lenders having Credit Exposure equal to or more than 51% of the Aggregate Credit Exposure.

“Restricted Payment”: with respect to any Person, any of the following, whether direct or indirect: (a) the declaration or payment by such Person of any dividend or distribution on any class of Stock of such Person, other than a dividend payable solely in shares of that class of Stock to the holders of such class, (b) the declaration or payment by such Person of any distribution on any other type or class of equity interest or equity investment in such Person, and (c) any redemption, retirement, purchase or acquisition of, or sinking fund or other similar payment in respect of, any class of Stock of, or other type or class of equity interest or equity investment in, such Person.

“Restrictive Agreement”: as defined in Section 8.7.

“Revolving Credit Loans”: as defined in Section 2.1(a) .

“S&P”: Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“Solvent”: with respect to any Person on a particular date, the condition that on such date, (i) the fair value of the Property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (iv) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s Property would constitute an unreasonably small amount of capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability after taking into account probable payments by co-obligors.

“Special Counsel”: such counsel as the Administrative Agent may engage from time to time.

“Subsidiary”: at any time and from time to time, any corporation, association, partnership, limited liability company, joint venture or other business entity of which the Borrower and/or any Subsidiary of the Borrower, directly or indirectly at such time, either (a) in respect of a corporation, owns or controls more than 50% of the outstanding stock having ordinary voting power to elect a majority of the board of directors or similar managing body, irrespective of whether a class or classes shall or might have voting power by reason of the happening of any contingency, or (b) in respect of an association, partnership, limited liability company, joint venture or other business entity, is entitled to share in more than 50% of the profits and losses, however determined.

“Swing Line Commitment”: the commitment of the Swing Line Lender to make Swing Line Loans in accordance with the terms hereof in an aggregate outstanding principal amount not

exceeding \$100,000,000 (or, if less, the Aggregate Commitment Amount) at any time, as the same may be reduced pursuant to Section 2.6.

“Swing Line Commitment Period”: the period from the Effective Date to, but excluding, the Swing Line Termination Date.

“Swing Line Exposure”: at any time, in respect of any Lender, an amount equal to the aggregate principal balance of Swing Line Loans at such time multiplied by such Lender’s Commitment Percentage at such time.

“Swing Line Interest Period”: as to any Swing Line Loan, the period commencing on the date of such Swing Line loan and ending on the date set forth by the Borrower in the Borrowing Request with respect to such Swing Line Loan, *provided* that the last day of any Swing Line Interest Period shall not be earlier than one day after the date of such Swing Line Loan or later than 7 days after the date of such Swing Line Loan and in no event later than the Swing Line Termination Date, and *provided further* that if any Swing Line Interest Period would end on a day other than a Domestic Business Day, such Interest Period shall be extended to the next succeeding Domestic Business Day.

“Swing Line Lender”: BNY.

“Swing Line Loan” and *“Swing Line Loans”*: as defined in Section 2.2(a) .

“Swing Line Maturity Date”: as defined in Section 2.2(a) .

“Swing Line Participation Amount”: as defined in Section 2.2(c) .

“Swing Line Termination Date”: the date which is 7 Domestic Business Days prior to the Commitment Termination Date.

“Tangible Net Worth”: at any date of determination, Net Worth less all assets of the Borrower and its Subsidiaries included in such Net Worth, determined on a Consolidated basis at such date, that would be classified as intangible assets in accordance with GAAP.

“Termination Event”: with respect to any Pension Plan, (a) a Reportable Event, (b) the termination of a Pension Plan under Section 4041(c) of ERISA, or the filing of a notice of intent to terminate a Pension Plan under Section 4041(c) of ERISA, or the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA (except an amendment made after such Pension Plan satisfies the requirement for a standard termination under Section 4041(b) of ERISA), (c) the institution of proceedings by the PBGC to terminate a Pension Plan under Section 4042 of ERISA, or (d) the appointment of a trustee to administer any Pension Plan under Section 4042 of ERISA.

“Total Capitalization”: at any date, the sum of the Borrower’s Consolidated Indebtedness and shareholders’ equity on such date, determined in accordance with GAAP.

“2007 Bridge Credit Agreement”: the 364 Day Credit Agreement, dated as of March, 2007, by and among the Borrower, the lenders party thereto, Morgan Stanley Senior Funding, Inc., as syndication agent, and Lehman Commercial Paper Inc., as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“2007 364 Day Credit Agreement”: the 364 Day Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as co-syndication agents, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Type”: with respect to any Revolving Credit Loan, the characteristic of such Loan as an ABR Advance or a Eurodollar Advance, each of which constitutes a Type of Revolving Credit Loan.

“Unqualified Amount”: as defined in Section 3.4(c).

“Upstream Dividends”: as defined in Section 8.7.

“Utilization Fee”: as defined in Section 3.11(b).

1.2 Principles of Construction

(a) All capitalized terms defined in this Agreement shall have the meanings given such capitalized terms herein when used in the other Loan Documents or in any certificate, opinion or other document made or delivered pursuant hereto or thereto, unless otherwise expressly provided therein.

(b) Unless otherwise expressly provided herein, the word *“fiscal”* when used herein shall refer to the relevant fiscal period of the Borrower. As used in the Loan Documents and in any certificate, opinion or other document made or delivered pursuant thereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words *“hereof”*, *“herein”*, *“hereto”* and *“hereunder”* and similar words when used in each Loan Document shall refer to such Loan Document as a whole and not to any particular provision of such Loan Document, and Section, schedule and exhibit references contained therein shall refer to Sections thereof or schedules or exhibits thereto unless otherwise expressly provided therein.

(d) All references herein to a time of day shall mean the then applicable time in New York, New York, unless otherwise expressly provided herein.

(e) Section headings have been inserted in the Loan Documents for convenience only and shall not be construed to be a part thereof. Unless the context otherwise requires, words in the singular number include the plural, and words in the plural include the singular.

(f) Whenever in any Loan Document or in any certificate or other document made or delivered pursuant thereto, the terms thereof require that a Person sign or execute the same or refer to the same as having been so signed or executed, such terms shall mean that the same shall be, or was, duly signed or executed by (i) in respect of any Person that is a corporation, any duly authorized officer thereof, and (ii) in respect of any other Person (other than an individual), any analogous counterpart thereof.

(g) The words “include” and “including”, when used in each Loan Document, shall mean that the same shall be included “without limitation”, unless otherwise specifically provided.

2. AMOUNT AND TERMS OF LOANS

2.1 Revolving Credit Loans

(a) Subject to the terms and conditions hereof, each Lender severally (and not jointly) agrees to make loans under this Agreement (each a “*Revolving Credit Loan*” and, collectively with each other Revolving Credit Loan of such Lender and/or with each Revolving Credit Loan of each other Lender, the “*Revolving Credit Loans*”) to the Borrower from time to time during the Commitment Period, during which period the Borrower may borrow, prepay and reborrow in accordance with the provisions hereof. Immediately after making each Revolving Credit Loan and after giving effect to all Swing Line Loans and Competitive Bid Loans repaid and all Reimbursement Obligations paid on the same date, the Aggregate Credit Exposure will not exceed the Aggregate Commitment Amount. With respect to each Lender, at the time of the making of any Revolving Credit Loan, the sum of (I) the principal amount of such Lender’s Revolving Credit Loan constituting a part of the Revolving Credit Loans to be made, (II) the aggregate principal balance of all other Revolving Credit Loans (exclusive of Revolving Credit Loans which are repaid with the proceeds of, and simultaneously with the incidence of, the Revolving Credit Loans to be made) then outstanding from such Lender and (III) the product of (A) such Lender’s Commitment Percentage and (B) the sum of (1) the aggregate principal balance of all Swing Line Loans (exclusive of Swing Line Loans which are repaid with the proceeds of, and simultaneously with the incurrence of, the Revolving Credit Loans to be made) then outstanding and (2) the Letter of Credit Exposure of all Lenders, will not exceed the Commitment of such Lender at such time. At the option of the Borrower, indicated in a Borrowing Request, Revolving Credit Loans may be made as ABR Advances or Eurodollar Advances.

(b) The aggregate outstanding principal balance of all Revolving Credit Loans shall be due and payable on the Commitment Termination Date or on such earlier date upon which all of the Commitments shall have been terminated in accordance with Section 2.6.

2.2 Swing Line Loans

(a) Subject to the terms and conditions hereof, the Swing Line Lender agrees to make loans under this Agreement (each a “*Swing Line Loan*” and, collectively, the “*Swing Line Loans*”) to the Borrower from time to time during the Swing Line Commitment Period.

Swing Line Loans (i) may be repaid and reborrowed in accordance with the provisions hereof, (ii) shall not, immediately after giving effect thereto, result in the Aggregate Credit Exposure exceeding the Aggregate Commitment Amount, and (iii) shall not, immediately after giving effect thereto, result in the aggregate outstanding principal balance of all Swing Line Loans exceeding the Swing Line Commitment. The Swing Line Lender shall not be obligated to make any Swing Line Loan at a time when any Lender shall be in default of its obligations under this Agreement unless the Swing Line Lender has entered into arrangements satisfactory to it and the Borrower to eliminate the Swing Line Lender's risk with respect to such defaulting Lender's participation in such Swing Line Loan. The Swing Line Lender will not make a Swing Line Loan if the Administrative Agent, or any Lender by notice to the Swing Line Lender and the Borrower no later than one Domestic Business Day prior to the Borrowing Date with respect to such Swing Line Loan, shall have determined that the conditions set forth in Sections 5 and/or 6, as applicable, have not been satisfied and such conditions remain unsatisfied as of the requested time of the making of such Loan. Each Swing Line Loan shall be due and payable on the day (the "*Swing Line Maturity Date*") being the earliest of the last day of the Swing Line Interest Period applicable thereto, the date on which the Swing Line Commitment shall have been terminated in accordance with Section 2.6, and the date on which the Loans shall become due and payable pursuant to the provisions hereof, whether by acceleration or otherwise. Each Swing Line Loan shall bear interest at the Negotiated Rate applicable thereto. The Swing Line Lender shall disburse the proceeds of Swing Line Loans at its office designated in Section 11.2 by crediting such proceeds to an account of the Borrower maintained with the Swing Line Lender.

(b) On any Domestic Business Day, the Swing Line Lender may, in its sole discretion, give notice to the Lenders and the Borrower that such outstanding Swing Line Loan shall be funded with a borrowing of Revolving Credit Loans (*provided* that such notice shall be deemed to have been automatically given upon the occurrence of a Default or an Event of Default under Sections 9.1(h), (i) or (j)), in which case a borrowing of Revolving Credit Loans made as ABR Advances (each such borrowing, a "*Mandatory Borrowing*"), shall be made by all Lenders *pro rata* based on each such Lender's Commitment Percentage on the Domestic Business Day immediately succeeding the giving of such notice. The proceeds of each Mandatory Borrowing shall be remitted directly to the Swing Line Lender to repay such outstanding Swing Line Loan. Each Lender irrevocably agrees to make a Revolving Credit Loan pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified in writing by the Swing Line Lender notwithstanding: (i) whether the amount of such Mandatory Borrowing complies with the minimum amount for Loans otherwise required hereunder, (ii) whether any condition specified in Section 6 is then unsatisfied, (iii) whether a Default or an Event of Default then exists, (iv) the Borrowing Date of such Mandatory Borrowing, (v) the aggregate principal amount of all Loans then outstanding, (vi) the Aggregate Credit Exposure at such time and (vii) the amount of the Commitments at such time.

(c) Upon each receipt by a Lender of notice from the Administrative Agent, such Lender shall purchase unconditionally, irrevocably, and severally (and not jointly) from the Swing Line Lender a participation in the outstanding Swing Line Loans (including accrued interest thereon) in an amount equal to the product of its Commitment Percentage and the outstanding balance of the Swing Line Loans (each, a "*Swing Line Participation Amount*").

Each Lender shall also be liable for an amount equal to the product of its Commitment Percentage and any amounts paid by the Borrower pursuant to this Section that are subsequently rescinded or avoided, or must otherwise be restored or returned. Such liabilities shall be unconditional and without regard to the occurrence of any Default or Event of Default or the compliance by the Borrower with any of its obligations under the Loan Documents.

(d) In furtherance of Section 2.2(c), upon each receipt by a Lender of notice from the Administrative Agent, such Lender shall promptly make available to the Administrative Agent for the account of the Swing Line Lender its Swing Line Participation Amount at the office of the Administrative Agent specified in Section 11.2, in lawful money of the United States and in immediately available funds. The Administrative Agent shall deliver the payments made by each Lender pursuant to the immediately preceding sentence to the Swing Line Lender promptly upon receipt thereof in like funds as received. Each Lender hereby indemnifies and agrees to hold harmless the Administrative Agent and the Swing Line Lender from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs and expenses resulting from any failure on the part of such Lender to pay, or from any delay in paying, the Administrative Agent any amount such Lender is required by notice from the Administrative Agent to pay in accordance with this Section (except in respect of losses, liabilities or other obligations suffered by the Administrative Agent or the Swing Line Lender, as the case may be, resulting from the gross negligence or willful misconduct of the Administrative Agent or the Swing Line Lender, as the case may be), and such Lender shall pay interest to the Administrative Agent for the account of the Swing Line Lender from the date such amount was due until paid in full, on the unpaid portion thereof, at a rate of interest per annum, whether before or after judgment, equal to (i) from the date such amount was due until the third day therefrom, the Federal Funds Effective Rate, and (ii) thereafter, the Federal Funds Effective Rate *plus* 2%, payable upon demand by the Swing Line Lender. The Administrative Agent shall distribute such interest payments to the Swing Line Lender upon receipt thereof in like funds as received.

(e) Whenever the Administrative Agent is reimbursed by the Borrower for the account of the Swing Line Lender for any payment in connection with Swing Line Loans and such payment relates to an amount previously paid by a Lender pursuant to this Section, the Administrative Agent will promptly remit such payment to such Lender.

2.3 Notice of Borrowing Revolving Credit Loans and Swing Line Loans

The Borrower agrees to notify the Administrative Agent (and with respect to a Swing Line Loan, the Swing Line Lender), which notification shall be irrevocable, no later than (a) 12:00 Noon on the proposed Borrowing Date in the case of Swing Line Loans, (b) 10:00 A.M. on the proposed Borrowing Date in the case of Revolving Credit Loans to consist of ABR Advances and (c) 10:00 A.M. at least two Eurodollar Business Days prior to the proposed Borrowing Date in the case of Revolving Credit Loans to consist of Eurodollar Advances. Each such notice shall specify (i) the aggregate amount requested to be borrowed under the Commitments or the Swing Line Commitment, (ii) the proposed Borrowing Date, (iii) whether a borrowing of Revolving Credit Loans is to be of ABR Advances or Eurodollar Advances, and the amount of each thereof (iv) the Eurodollar Interest Period for such Eurodollar Advances and (v)

the Swing Line Interest Period for, and the amount of, each Swing Line Loan. Each such notice shall be promptly confirmed by delivery to the Administrative Agent (and, with respect to a Swing Line Loan, the Swing Line Lender) of a Borrowing Request. Each Eurodollar Advance to be made on a Borrowing Date, when aggregated with all amounts to be Converted to Eurodollar Advances on such date and having the same Interest Period as such Eurodollar Advance, shall equal no less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof. Each ABR Advance made on each Borrowing Date shall equal no less than \$5,000,000 or an integral multiple of \$500,000 in excess thereof. Each Swing Line Loan made on each Borrowing Date shall equal no less than \$1,000,000 or an integral multiple of \$500,000 in excess thereof. The Administrative Agent shall promptly notify each Lender (by telephone or otherwise, such notification to be confirmed by fax or other writing) of each such Borrowing Request. Subject to its receipt of each such notice from the Administrative Agent and subject to the terms and conditions hereof, (A) each Lender shall make immediately available funds available to the Administrative Agent at the address therefor set forth in Section 11.2 not later than 1:00 P.M. on each Borrowing Date in an amount equal to such Lender's Commitment Percentage of the Revolving Credit Loans requested by the Borrower on such Borrowing Date and/or (B) the Swing Line Lender shall make immediately available funds available to the Borrower on such Borrowing Date in an amount equal to the Swing Line Loan requested by the Borrower.

2.4 Competitive Bid Loans and Procedure

(a) Subject to the terms and conditions hereof, the Borrower may request competitive bid loans under this Agreement (each a "Competitive Bid Loan") during the Commitment Period. In order to request Competitive Bids, the Borrower shall deliver by hand or fax to the Administrative Agent a duly completed Competitive Bid Request not later than 11:00 A.M., one Domestic Business Day before the proposed Borrowing Date therefor. A Competitive Bid Request that does not conform substantially to the format of Exhibit F may be rejected by the Administrative Agent in the Administrative Agent's reasonable discretion, and the Administrative Agent shall promptly notify the Borrower of such rejection by fax and telephone. Each Competitive Bid Request shall specify (x) the proposed Borrowing Date for the Competitive Bid Loans then being requested (which shall be a Domestic Business Day) and the aggregate principal amount thereof and (y) the Competitive Interest Period or Interest Periods (which shall not exceed ten different Interest Periods in a single Competitive Bid Request), with respect thereto (which may not end after the Domestic Business Day immediately preceding the Commitment Termination Date). Promptly after its receipt of each Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by fax (in the form of Exhibit G) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Bid Loans pursuant to such Competitive Bid Request.

(b) Each Lender, in its sole and absolute discretion, may make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Lender must be received by the Administrative Agent not later than 10:00 A.M. on the proposed Borrowing Date for the relevant Competitive Bid Loan. Multiple bids will be accepted by the Administrative Agent. Bids to make Competitive Bid Loans that do not conform substantially to the format of Exhibit H may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower, and the Administrative Agent shall

notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall be irrevocable and shall specify (x) the principal amount (which (1) shall be in a minimum principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (2) may equal the entire principal amount requested by the Borrower) of the Competitive Bid Loan or Competitive Bid Loans that the Lender is willing to make to the Borrower, (y) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Competitive Bid Loan or Competitive Bid Loans, and (z) the Competitive Interest Period with respect to each such Competitive Bid Loan and the last day thereof. If any Lender shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent by fax not later than 10:00 A.M. on the proposed Borrowing Date therefor, *provided* that the failure by any Lender to give any such notice shall not obligate such Lender to make any Competitive Bid Loan in connection with the relevant Competitive Bid Request.

(c) With respect to each Competitive Bid Request, the Administrative Agent shall (i) notify the Borrower by fax by 11:00 A.M. on the proposed Borrowing Date with respect thereto of each Competitive Bid made, the Competitive Bid Rate applicable thereto and the identity of the Lender that made such Competitive Bid, and (ii) send a list of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process. Each notice and list sent by the Administrative Agent pursuant to this Section 2.4(c) shall list the Competitive Bids in ascending yield order.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this Section 2.4(d), accept or reject any Competitive Bid made in accordance with the procedures set forth in this Section 2.4, and the Borrower shall notify the Administrative Agent by telephone, confirmed by fax in the form of a Competitive Bid Accept/Reject Letter, whether and to what extent it has decided to accept or reject any or all of such Competitive Bids not later than 12:00 Noon on the proposed Borrowing Date therefor, *provided* that the failure by the Borrower to give such notice shall be deemed to be a rejection of all such Competitive Bids. In connection with each acceptance of one or more Competitive Bids by the Borrower:

(1) the Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if the Borrower has decided to reject a Competitive Bid made at a lower Competitive Bid Rate unless the acceptance of such lower Competitive Bid would subject the Borrower to any requirement to withhold any taxes or deduct any amount from any amounts payable under the Loan Documents, in which case the Borrower may reject such lower Competitive Bid,

(2) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request therefor,

(3) if the Borrower shall desire to accept a Competitive Bid made at a particular Competitive Bid Rate, it must accept all other Competitive Bids at such Competitive Bid Rate, except for any such Competitive Bid the acceptance of which would subject the Borrower to any requirement to withhold any taxes or deduct any amount from any amounts payable under the Loan Documents, *provided* that if the acceptance of all such other Competitive

Bids would cause the aggregate amount of all such accepted Competitive Bids to exceed the amount requested, then such acceptance shall be made pro rata in accordance with the amount of each such Competitive Bid at such Competitive Bid Rate,

(4) except pursuant to clause (3) above, no Competitive Bid shall be accepted unless the Competitive Bid Loan with respect thereto shall be in a minimum principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and

(5) no Competitive Bid shall be accepted and no Competitive Bid Loan shall be made, if immediately after giving effect thereto, the Aggregate Credit Exposure would exceed the Aggregate Commitment Amount.

(e) The Administrative Agent shall promptly fax to each bidding Lender (with a copy to the Borrower) a Competitive Bid Accept/Reject Letter advising such Lender whether its Competitive Bid has been accepted (and if accepted, in what amount and at what Competitive Bid Rate), and each successful bidder so notified will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Bid Loan in respect of which each of its Competitive Bids has been accepted by making immediately available funds available to the Administrative Agent at its address set forth in Section 11.2 not later than 1:00 P.M. on the Borrowing Date for such Competitive Bid Loan in the amount thereof.

(f) Anything herein to the contrary notwithstanding, if the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such bid directly to the Borrower not later than 9:30 A.M. on the relevant proposed Borrowing Date.

(g) All notices required by this Section shall be given in accordance with Section 11.2.

(h) Each Competitive Bid Loan shall be due and payable on the last day of the Interest Period applicable thereto or on such earlier date upon which the Loans shall become due and payable pursuant to the provisions hereof, whether by acceleration or otherwise.

2.5 Use of Proceeds

The Borrower agrees that the proceeds of the Loans and Letters of Credit shall be used solely for its general corporate purposes not inconsistent with the provisions hereof, including as a backup for commercial paper issued by the Borrower and to finance in part the consideration paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid to the Caremark shareholders, *provided* that prior to the consummation of the Caremark Merger, the Borrower shall not be permitted to borrow hereunder except in anticipation of the proposed direct or indirect financing in part of the consideration paid or to be paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid or to be paid to the Caremark shareholders (which may include a borrowing for the purpose of refunding Caremark Merger Anticipatory Commercial Paper). Notwithstanding anything to the contrary contained in any Loan Document, the Borrower further agrees that no part of the proceeds of any Loan or Letter of Credit will be used, directly or

indirectly, and whether immediately, incidentally or ultimately (i) for a purpose which violates any law, rule or regulation of any Governmental Authority, including the provisions of Regulations U or X of the Board of Governors of the Federal Reserve System, as amended or any provision of this Agreement, including, without limitation, the provisions of Section 4.9 and (ii) to make a loan to any director or executive officer of the Borrower or any Subsidiary.

2.6 Termination or Reduction of Commitments

(a) *Voluntary Termination or Reductions.* At the Borrower's option and upon at least three Domestic Business Days' prior irrevocable notice to the Administrative Agent, the Borrower may (i) terminate the Commitments, the Swing Line Commitment and the Letter of Credit Commitment, at any time, or (ii) permanently reduce the Aggregate Commitment Amount, the Swing Line Commitment or the Letter of Credit Commitment, in part at any time and from time to time, *provided* that (1) each such partial reduction shall be in an amount equal to at least (A) in the case of the Aggregate Commitment Amount \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, (B) in the case of the Swing Line Commitment, \$1,000,000, or an integral multiple of \$1,000,000 in excess thereof, and (C) in the case of the Letter of Credit Commitment, \$1,000,000, or an integral multiple of \$1,000,000 in excess thereof, and (2) immediately after giving effect to each such reduction, (A) the Aggregate Commitment Amount shall equal or exceed the Aggregate Credit Exposure, (B) the Swing Line Commitment shall equal or exceed the aggregate outstanding principal balance of all Swing Line Loans and (C) the Letter of Credit Commitment shall equal or exceed the Letter of Credit Exposure of all Lenders, and *provided further* that a notice of termination of the Commitments, the Swing Line Commitment and the Letter of Credit Commitment delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities (such notice to specify the proposed effective date), in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to such specified effective date) if such condition is not satisfied and the Borrower shall indemnify the Lenders in accordance with Section 3.5.

(b) *Mandatory Termination or Reductions.* If for any reason the Caremark Merger Effective Date has not occurred on or before November 1, 2007, the Commitments, the Swing Line Commitment and the Letter of Credit Commitment shall be automatically terminated and the Aggregate Commitment Amount shall be reduced to zero on November 1, 2007.

(c) *In General.* Each reduction of the Aggregate Commitment Amount shall be made by reducing each Lender's Commitment Amount by a sum equal to such Lender's Commitment Percentage of the amount of such reduction.

2.7 Prepayments of Loans

(a) *Voluntary Prepayments.* The Borrower may prepay Revolving Credit Loans, Competitive Bid Loans and Swing Line Loans, in whole or in part, without premium or penalty, but subject to Section 3.5 at any time and from time to time, by notifying the Administrative Agent, which notification shall be irrevocable, at least two Eurodollar Business Days, in the case of a prepayment of Eurodollar Advances, two Domestic Business Days, in the

case of Competitive Bid Loans, or one Domestic Business Day, in the case of a prepayment of Swing Line Loans and ABR Advances, prior to the proposed prepayment date specifying (i) the Loans to be prepaid, (ii) the amount to be prepaid, and (iii) the date of prepayment. Upon receipt of each such notice, the Administrative Agent shall promptly notify each Lender thereof. Each such notice given by the Borrower pursuant to this Section shall be irrevocable, *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments, the Swing Line Commitment and the Letter of Credit Commitment as contemplated by Section 2.6, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.6, and the Borrower shall indemnify the Lenders in accordance with Section 3.5. Each partial prepayment under this Section shall be in a minimum amount of \$1,000,000 (\$500,000 in the case of ABR Advances and Swing Line Loans) or an integral multiple of \$1,000,000 (\$100,000 in the case of ABR Advances and Swing Line Loans) in excess thereof.

(b) *Caremark Merger Prepayment.* In the event that the Borrower borrows Loans hereunder in anticipation of the proposed direct or indirect financing in part of the consideration paid or to be paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid or to be paid to the Caremark shareholders (which may include a borrowing for the purpose of refunding Caremark Merger Anticipatory Commercial Paper), and the closing of the Caremark Merger does not occur within four Business Days after such borrowing, then the Borrower shall prepay such Loans in full no later than the fifth Business Day following such borrowing.

(c) *In General.* Simultaneously with each prepayment hereunder, the Borrower shall prepay all accrued interest on the amount prepaid through the date of prepayment and indemnify the Lenders in accordance with Section 3.5.

2.8 Letter of Credit Sub-facility

(a) Subject to the terms and conditions hereof and the payment by the Borrower to the Issuer of such fees as the Borrower and the Issuer shall have agreed in writing, the Issuer agrees, in reliance on the agreement of the other Lenders set forth in Section 2.9, to issue standby letters of credit (each a “*Letter of Credit*” and, collectively, the “*Letters of Credit*”) during the Commitment Period for the account of the Borrower, *provided* that immediately after the issuance of each Letter of Credit (i) the Letter of Credit Exposure of all Lenders shall not exceed the Letter of Credit Commitment, and (ii) the Aggregate Credit Exposure shall not exceed the Aggregate Commitment Amount. Each Letter of Credit shall have an expiration date which shall be not later than the earlier to occur of one year from the date of issuance thereof or 5 days prior to the Commitment Termination Date. No Letter of Credit shall be issued if the Administrative Agent, or any Lender by notice to the Administrative Agent and the Issuer no later than 3:00 P.M. one Domestic Business Day prior to the requested date of issuance of such Letter of Credit, shall have determined that the conditions set forth in Sections 5 and/or 6, as applicable have not been satisfied.

(b) Each Letter of Credit shall be issued for the account of the Borrower in support of an obligation of the Borrower in favor of a beneficiary who has requested the Issuance

of such Letter of Credit as a condition to a transaction entered into in connection with the Borrower's ordinary course of business. The Borrower shall give the Administrative Agent a Letter of Credit Request for the issuance of each Letter of Credit by 12:00 Noon at least two Domestic Business Days prior to the requested date of issuance. Such Letter of Credit Request shall be accompanied by the Issuer's standard Application and Agreement for Standby Letter of Credit (each a "*Reimbursement Agreement*") executed by the Borrower, and shall specify (i) the beneficiary of such Letter of Credit and the obligations of the Borrower in respect of which such Letter of Credit is to be issued, (ii) the Borrower's proposal as to the conditions under which a drawing may be made under such Letter of Credit and the documentation to be required in respect thereof, (iii) the maximum amount to be available under such Letter of Credit, and (iv) the requested date of issuance. Upon receipt of such Letter of Credit Request from the Borrower, the Administrative Agent shall promptly notify the Issuer and each other Lender thereof. The Issuer shall, on the proposed date of issuance and subject to the other terms and conditions of this Agreement, issue the requested Letter of Credit. Each Letter of Credit shall be in form and substance reasonably satisfactory to the Issuer, with such provisions with respect to the conditions under which a drawing may be made thereunder and the documentation required in respect of such drawing as the Issuer shall reasonably require. Each Letter of Credit shall be used solely for the purposes described therein.

(c) Each payment by the Issuer of a draft drawn under a Letter of Credit shall give rise to the obligation of the Borrower to immediately reimburse the Issuer for the amount thereof. The Issuer shall promptly notify the Borrower of such payment by the Issuer of a draft drawn under a Letter of Credit, but any failure to so notify shall not in any manner affect the obligation of the Borrower to make reimbursement when due. In lieu of such notice, if the Borrower has not made reimbursement prior to the end of the Domestic Business Day when due, the Borrower hereby authorizes the Issuer to deduct the amount of any such reimbursement from such account(s) as the Borrower may from time to time designate in writing to the Issuer, upon which the Issuer shall apply the amount of such deduction to such reimbursement. If all or any portion of any reimbursement obligation in respect of a Letter of Credit shall not be paid when due (whether at the stated maturity thereof, by acceleration or otherwise), such overdue amount shall bear interest, payable upon demand, at a rate per annum equal to the Alternate Base Rate *plus* the Applicable Margin applicable to ABR Advances *plus* 2%, from the date of such nonpayment until paid in full (whether before or after the entry of a judgment thereon).

2.9 Letter of Credit Participation

(a) Each Lender hereby unconditionally and irrevocably, severally (and not jointly) takes an undivided participating interest in the obligations of the Issuer under and in connection with each Letter of Credit in an amount equal to such Lender's Commitment Percentage of the amount of such Letter of Credit. Each Lender shall be liable to the Issuer for its Commitment Percentage of the unreimbursed amount of any draft drawn and honored under each Letter of Credit. Each Lender shall also be liable for an amount equal to the product of its Commitment Percentage and any amounts paid by the Borrower pursuant to Sections 2.8 and 2.10 that are subsequently rescinded or avoided, or must otherwise be restored or returned. Such liabilities shall be unconditional and without regard to the occurrence of any Default or Event of

Default or the compliance by the Borrower with any of its obligations under the Loan Documents.

(b) The Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender (which notice shall be promptly confirmed in writing), of the date and the amount of each draft paid under each Letter of Credit with respect to which full reimbursement payment shall not have been made by the Borrower as provided in Section 2.8(c), and forthwith upon receipt of such notice, such Lender shall promptly make available to the Administrative Agent for the account of the Issuer its Commitment Percentage of the amount of such unreimbursed draft at the office of the Administrative Agent specified in Section 11.2 in lawful money of the United States and in immediately available funds. The Administrative Agent shall distribute the payments made by each Lender pursuant to the immediately preceding sentence to the Issuer promptly upon receipt thereof in like funds as received. Each Lender shall indemnify and hold harmless the Administrative Agent and the Issuer from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from any failure on the part of such Lender to provide, or from any delay in providing, the Administrative Agent with such Lender's Commitment Percentage of the amount of any payment made by the Issuer under a Letter of Credit in accordance with this clause (b) above (except in respect of losses, liabilities or other obligations suffered by the Administrative Agent or the Issuer, as the case may be, resulting from the gross negligence or willful misconduct of the Administrative Agent or the Issuer, as the case may be). If a Lender does not make available to the Administrative Agent when due such Lender's Commitment Percentage of any unreimbursed payment made by the Issuer under a Letter of Credit, such Lender shall be required to pay interest to the Administrative Agent for the account of the Issuer on such Lender's Commitment Percentage of such payment at a rate of interest per annum equal to (i) from the date such Lender should have made such amount available until the third day therefrom, the Federal Funds Effective Rate, and (ii) thereafter, the Federal Funds Effective Rate *plus* 2%, in each case payable upon demand by the Issuer. The Administrative Agent shall distribute such interest payments to the Issuer upon receipt thereof in like funds as received.

(c) Whenever the Administrative Agent is reimbursed by the Borrower, for the account of the Issuer, for any payment under a Letter of Credit and such payment relates to an amount previously paid by a Lender in respect of its Commitment Percentage of the amount of such payment under such Letter of Credit, the Administrative Agent (or the Issuer, if such payment by a Lender was paid by the Administrative Agent to the Issuer) will promptly pay over such payment to such Lender.

2.10 Absolute Obligation with respect to Letter of Credit Payments

The Borrower's obligation to reimburse the Administrative Agent for the account of the Issuer for each payment under or in respect of each Letter of Credit shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the beneficiary of such Letter of Credit, the Administrative Agent, the Issuer, the Swing Line Lender, any Lender or any other

Person, including, without limitation, any defense based on the failure of any drawing to conform to the terms of such Letter of Credit, any drawing document proving to be forged, fraudulent or invalid, or the legality, validity, regularity or enforceability of such Letter of Credit, *provided* that, with respect to any Letter of Credit, the foregoing shall not relieve the Issuer of any liability it may have to the Borrower for any actual damages sustained by the Borrower arising from a wrongful payment (or failure to pay) under such Letter of Credit made as a result of the Issuer's gross negligence or willful misconduct.

2.11 Notes

Any Lender may request that the Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Person or, if requested by such Person, such Person and its registered assigns. Thereafter, all Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 11.7) be represented by a Note in like form payable to the order of the payee named therein and its registered assigns.

3. PROCEEDS, PAYMENTS, CONVERSIONS, INTEREST, YIELD PROTECTION AND FEES

3.1 Disbursement of the Proceeds of the Loans

The Administrative Agent shall disburse the proceeds of the Loans (other than the Swing Line Loans) at its office specified in Section 11.2 by crediting to the Borrower's general deposit account with the Administrative Agent the funds received from each Lender. Unless the Administrative Agent shall have received prior notice from a Lender (by telephone or otherwise, such notice to be confirmed by fax or other writing) that such Lender will not make available to the Administrative Agent such Lender's Commitment Percentage of the Revolving Credit Loans, or the amount of any Competitive Bid Loan, to be made by it on a Borrowing Date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such Borrowing Date in accordance with this Section, *provided* that, in the case of a Revolving Credit Loan, such Lender received notice thereof from the Administrative Agent in accordance with the terms hereof, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such Borrowing Date a corresponding amount. If and to the extent such Lender shall not have so made such amount available to the Administrative Agent, such Lender and the Borrower severally agree to pay to the Administrative Agent, forthwith on demand, such corresponding amount (to the extent not previously paid by the other), together with interest thereon for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Administrative Agent, at a rate per annum equal to, in the case of the Borrower, the applicable interest rate set forth in Section 3.4(a) and, in the case of such Lender, the Federal Funds Effective Rate from the date such payment is due until the third day after such date and, thereafter, at the Federal Funds Effective Rate *plus* 2%. Any such payment by the Borrower shall be without prejudice to its rights against such Lender. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Loan as part of such Loans for purposes of this Agreement, which Loan shall be deemed to have been made by such Lender on the Borrowing Date applicable to such Loans.

3.2 Payments

(a) Each payment, including each prepayment, of principal and interest on the Loans and of the Facility Fee, the Utilization Fee and the Letter of Credit Participation Fee (collectively, together with all of the other fees to be paid to the Administrative Agent, the Lenders, the Issuer and the Swing Line Lender in connection with the Loan Documents, the “Fees”), and of all of the other amounts to be paid to the Administrative Agent and the Lenders in connection with the Loan Documents shall be made by the Borrower to the Administrative Agent at its office specified in Section 11.2 without setoff, deduction or counterclaim in funds immediately available in New York by 3:00 P.M. on the due date for such payment. The failure of the Borrower to make any such payment by such time shall not constitute a default hereunder, *provided* that such payment is made on such due date, but any such payment made after 3:00 P.M. on such due date shall be deemed to have been made on the next Domestic Business Day or Eurodollar Business Day, as the case may be, for the purpose of calculating interest on amounts outstanding on the Loans. If the Borrower has not made any such payment prior to 3:00 P.M., the Borrower hereby authorizes the Administrative Agent to deduct the amount of any such payment from such account(s) as the Borrower may from time to time designate in writing to the Administrative Agent, upon which the Administrative Agent shall apply the amount of such deduction to such payment. Promptly upon receipt thereof by the Administrative Agent, each payment of principal and interest on the: (i) Revolving Credit Loans shall be remitted by the Administrative Agent in like funds as received to each Lender (a) first, pro rata according to the amount of interest which is then due and payable to the Lenders, and (b) second, pro rata according to the amount of principal which is then due and payable to the Lenders, (ii) Competitive Bid Loans shall be remitted by the Administrative Agent in like funds as received to each applicable Lender and (iii) Swing Line Loans shall be remitted by the Administrative Agent in like funds as received to the Swing Line Lender. Each payment of the Facility Fee and the Letter of Credit Participation Fee payable to the Lenders shall be promptly transmitted by the Administrative Agent in like funds as received to each Lender pro rata according to such Lender’s Commitment Amount or, if the Commitments shall have terminated or been terminated, according to the outstanding principal amount of such Lender’s Revolving Credit Loans. Each payment of the Utilization Fee payable to the Lenders shall be promptly transmitted by the Administrative Agent in like funds as received to each Lender in accordance with Section 3.11(b) .

(b) If any payment hereunder or under the Loans shall be due and payable on a day which is not a Domestic Business Day or Eurodollar Business Day, as the case may be, the due date thereof (except as otherwise provided in the definition of Eurodollar Interest Period or Competitive Interest Period) shall be extended to the next Domestic Business Day or Eurodollar Business Day, as the case may be, and (except with respect to payments in respect of the Facility Fee, the Utilization Fee and the Letter of Credit Participation Fee) interest shall be payable at the applicable rate specified herein during such extension.

3.3 Conversions; Other Matters

(a) The Borrower may elect at any time and from time to time to Convert one or more Eurodollar Advances to an ABR Advance by giving the Administrative Agent at least

one Domestic Business Day's prior irrevocable notice of such election, specifying the amount to be so Converted. In addition, the Borrower may elect at any time and from time to time to Convert an ABR Advance to any one or more new Eurodollar Advances or to Convert any one or more existing Eurodollar Advances to any one or more new Eurodollar Advances by giving the Administrative Agent no later than 10:00 a.m. at least two Eurodollar Business Days' prior irrevocable notice, in the case of a Conversion to Eurodollar Advances, of such election, specifying the amount to be so Converted and the initial Interest Period relating thereto, *provided* that any Conversion of an ABR Advance to Eurodollar Advances shall only be made on a Eurodollar Business Day. The Administrative Agent shall promptly provide the Lenders with notice of each such election. Each Conversion of Loans from one Type to another shall be made pro rata according to the outstanding principal amount of the Loans of each Lender. ABR Advances and Eurodollar Advances may be Converted pursuant to this Section in whole or in part, *provided* that the amount to be Converted to each Eurodollar Advance, when aggregated with any Eurodollar Advance to be made on such date in accordance with Section 2.1 and having the same Interest Period as such first Eurodollar Advance, shall equal no less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall have no right to elect to Convert any existing ABR Advance to a new Eurodollar Advance or to Convert any existing Eurodollar Advance to a new Eurodollar Advance. In such event, such ABR Advance shall be automatically continued as an ABR Advance or such Eurodollar Advance shall be automatically Converted to an ABR Advance on the last day of the Interest Period applicable to such Eurodollar Advance. The foregoing shall not affect any other rights or remedies that the Administrative Agent or any Lender may have under this Agreement or any other Loan Document.

(c) Each Conversion shall be effected by each Lender by applying the proceeds of each new ABR Advance or Eurodollar Advance, as the case may be, to the existing Advance (or portion thereof) being Converted (it being understood that such Conversion shall not constitute a borrowing for purposes of Sections 4, 5 or 6).

(d) Notwithstanding any other provision of any Loan Document:

(i) if the Borrower shall have failed to elect a Eurodollar Advance under Section 2.3 or this Section 3.3, as the case may be, in connection with any borrowing of new Revolving Credit Loans or expiration of an Interest Period with respect to any existing Eurodollar Advance, the amount of the Revolving Credit Loans subject to such borrowing or such existing Eurodollar Advance shall thereafter be an ABR Advance until such time, if any, as the Borrower shall elect a new Eurodollar Advance pursuant to this Section 3.3,

(ii) the Borrower shall not be permitted to select a Eurodollar Advance the Interest Period in respect of which ends later than the Commitment Termination Date or such earlier date upon which all of the Commitments shall have been terminated in accordance with Section 2.6, and

(iii) the Borrower shall not be permitted to have more than 15 Eurodollar Advances and Competitive Bid Loans, in the aggregate, outstanding at any one time, it being understood and agreed that each borrowing of Eurodollar Advances or Competitive Bid Loans pursuant to a single Borrowing Request or Competitive Bid Request, as the case may be, shall constitute the making of one Eurodollar Advance or Competitive Bid Loan for the purpose of calculating such limitation.

3.4 Interest Rates and Payment Dates

(a) *Prior to Maturity.* Except as otherwise provided in Sections 3.4(b) and 3.4(c), the Loans shall bear interest on the unpaid principal balance thereof at the applicable interest rate or rates per annum set forth below:

LOANS	RATE
Revolving Credit Loans constituting ABR Advances	Alternate Base Rate applicable thereto <i>plus</i> the Applicable Margin.
Revolving Credit Loans constituting Eurodollar Advances	Eurodollar Rate applicable thereto <i>plus</i> the Applicable Margin.
Competitive Bid Loans	Fixed rate of interest applicable thereto accepted by the Borrower pursuant to Section 2.4(d).
Swing Line Loans	Negotiated Rate applicable thereto as provided in Section 2.2(a).

(b) *After Maturity, Late Payment Rate.* After maturity, whether by acceleration, notice of intention to prepay or otherwise, the outstanding principal balance of the Loans shall bear interest at the Alternate Base Rate *plus* 2% per annum until paid (whether before or after the entry of any judgment thereon). Any payment of principal, interest or any Fees not paid on the date when due and payable shall bear interest at the Alternate Base Rate *plus* 2% per annum from the due date thereof until the date such payment is made (whether before or after the entry of any judgment thereon).

(c) *Highest Lawful Rate.* Notwithstanding anything to the contrary contained in this Agreement, at no time shall the interest rate payable to any Lender on any of its Loans, together with the Fees and all other amounts payable hereunder to such Lender to the extent the same constitute or are deemed to constitute interest, exceed the Highest Lawful Rate. If in respect of any period during the term of this Agreement, any amount paid to any Lender hereunder, to the extent the same shall (but for the provisions of this Section 3.4) constitute or be deemed to constitute interest, would exceed the maximum amount of interest permitted by the Highest Lawful Rate during such period (such amount being hereinafter referred to as an “*Unqualified Amount*”), then (i) such Unqualified Amount shall be applied or shall be deemed to have been applied as a prepayment of the Loans of such Lender, and (ii) if, in any subsequent

period during the term of this Agreement, all amounts payable hereunder to such Lender in respect of such period which constitute or shall be deemed to constitute interest shall be less than the maximum amount of interest permitted by the Highest Lawful Rate during such period, then the Borrower shall pay to such Lender in respect of such period an amount (each a “*Compensatory Interest Payment*”) equal to the lesser of (x) a sum which, when added to all such amounts, would equal the maximum amount of interest permitted by the Highest Lawful Rate during such period, and (y) an amount equal to the aggregate sum of all Unqualified Amounts *less* all other Compensatory Interest Payments.

(d) *General.* Interest shall be payable in arrears on each Interest Payment Date, on the Commitment Termination Date and, to the extent provided in Section 2.7(c), upon each prepayment of the Loans. Any change in the interest rate on the Loans resulting from an increase or a decrease in the Alternate Base Rate or any reserve requirement shall become effective as of the opening of business on the day on which such change shall become effective. The Administrative Agent shall, as soon as practicable, notify the Borrower and the Lenders of the effective date and the amount of each change in the BNY Rate, but any failure to so notify shall not in any manner affect the obligation of the Borrower to pay interest on the Loans in the amounts and on the dates set forth herein. Each determination by the Administrative Agent of the Alternate Base Rate, the Eurodollar Rate and the Competitive Rate pursuant to this Agreement shall be conclusive and binding on the Borrower absent manifest error. The Borrower acknowledges that to the extent interest payable on the Loans is based on the Alternate Base Rate, such rate is only one of the bases for computing interest on loans made by the Lenders, and by basing interest payable on ABR Advances on the Alternate Base Rate, the Lenders have not committed to charge, and the Borrower has not in any way bargained for, interest based on a lower or the lowest rate at which the Lenders may now or in the future make extensions of credit to other Persons. All interest (other than interest calculated with reference to the BNY Rate) shall be calculated on the basis of a 360-day year for the actual number of days elapsed, and all interest determined with reference to the BNY Rate shall be calculated on the basis of a 365/366-day year for the actual number of days elapsed.

3.5 *Indemnification for Loss*

Notwithstanding anything contained herein to the contrary, if: (i) the Borrower shall fail to borrow a Eurodollar Advance or if the Borrower shall fail to Convert a Eurodollar Advance after it shall have given notice to do so in which it shall have requested a Eurodollar Advance pursuant to Section 2.3 or 3.3, as the case may be, (ii) the Borrower shall fail to borrow a Competitive Bid Loan after it shall have accepted any offer with respect thereto in accordance with Section 2.4 or a Swing Line Loan after it shall have agreed to a Negotiated Rate with respect thereto in accordance with Section 2.2(a), (iii) a Eurodollar Advance, Competitive Bid Loan or Swing Line Loan shall be terminated for any reason prior to the last day of the Interest Period applicable thereto (other than the termination of a Swing Line Loan resulting from a Mandatory Borrowing at a time when no Default or Event of Default shall exist), (iv) any repayment or prepayment of the principal amount of a Eurodollar Advance, Competitive Bid Loan or Swing Line Loan is made for any reason on a date which is prior to the last day of the Interest Period applicable thereto (other than the repayment or prepayment of a Swing Line Loan resulting from a Mandatory Borrowing at a time when no Default or Event of Default shall exist), or (v) the Borrower shall have revoked a

notice of prepayment or notice of termination of the Commitments, the Swing Line Commitment and the Letter of Credit Commitment that was conditioned upon the effectiveness of other credit facilities pursuant to Section 2.6 or 2.7, the Borrower agrees to indemnify each Lender against, and to pay on demand directly to such Lender the amount (calculated by such Lender using any method chosen by such Lender which is customarily used by such Lender for such purpose) equal to any loss or expense suffered by such Lender as a result of such failure to borrow or Convert, or such termination, repayment, prepayment or revocation, including any loss, cost or expense suffered by such Lender in liquidating or employing deposits acquired to fund or maintain the funding of such Eurodollar Advance, Competitive Bid Loan or Swing Line Loan, as the case may be, or redeploying funds prepaid or repaid, in amounts which correspond to such Eurodollar Advance, Competitive Bid Loan or Swing Line Loan, as the case may be, and any reasonable internal processing charge customarily charged by such Lender in connection therewith.

3.6 Reimbursement for Costs, Etc.

If at any time or from time to time there shall occur a Regulatory Change and the Issuer or any Lender shall have reasonably determined that such Regulatory Change (i) shall have had or will thereafter have the effect of reducing (A) the rate of return on the Issuer's or such Lender's capital or the capital of any Person directly or indirectly owning or controlling the Issuer or such Lender (each a "Control Person"), or (B) the asset value (for capital purposes) to the Issuer, such Lender or such Control Person, as applicable, of the Reimbursement Obligations, or any participation therein, or the Loans, or any participation therein, in any case to a level below that which the Issuer, such Lender or such Control Person could have achieved or would thereafter be able to achieve but for such Regulatory Change (after taking into account the Issuer's, such Lender's or such Control Person's policies regarding capital), (ii) will impose, modify or deem applicable any reserve, asset, special deposit or special assessment requirements on deposits obtained in the interbank eurodollar market in connection with the Loan Documents (excluding, with respect to any Eurodollar Advance, any such requirement which is included in the determination of the rate applicable thereto), (iii) will subject the Issuer, such Lender or such Control Person, as applicable, to any tax (documentary, stamp or otherwise) with respect to this Agreement, any Note, or any Reimbursement Agreement, or (iv) will change the basis of taxation of payments to the Issuer, such Lender or such Control Person, as applicable, of principal, interest or fees payable under the Loan Documents (except, in the case of clauses (iii) and (iv) above, for any tax or changes in the rate of tax on the Issuer's, such Lender's or such Control Person's net income) then, in each such case, within ten days after demand by the Issuer or such Lender, as applicable, the Borrower shall pay to the Issuer, such Lender or such Control Person, as the case may be, such additional amount or amounts as shall be sufficient to compensate the Issuer, such Lender or such Control Person, as the case may be, for any such reduction, reserve or other requirement, tax, loss, cost or expense (excluding general administrative and overhead costs) (collectively, "Costs") attributable to the Issuer's, such Lender's or such Control Person's compliance during the term hereof with such Regulatory Change. The Issuer and each Lender may make multiple requests for compensation under this Section.

Notwithstanding the foregoing, the Borrower will not be required to compensate any Lender for any Costs under this Section 3.6 arising prior to 45 days preceding the date of demand, unless the applicable Regulatory Change giving rise to such Costs is imposed retroactively. In the

case of retroactivity, such notice shall be provided to the Borrower not later than 45 days from the date that such Lender learned of such Regulatory Change. The Borrower's obligation to compensate such Lender shall be contingent upon the provision of such timely notice (but any failure by such Lender to provide such timely notice shall not affect the Borrower's obligations with respect to (i) Costs incurred from the date as of which such Regulatory Change became effective to the date that is 45 days after the date such Lender reasonably should have learned of such Regulatory Change and (ii) Costs incurred following the provision of such notice).

3.7 Illegality of Funding

Notwithstanding any other provision hereof, if any Lender shall reasonably determine that any law, regulation, treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any Eurodollar Advance as contemplated by this Agreement, such Lender shall promptly notify the Borrower and the Administrative Agent thereof, and (a) the commitment of such Lender to make such Eurodollar Advances or Convert ABR Advances to such Eurodollar Advances shall forthwith be suspended, (b) such Lender shall fund its portion of each requested Eurodollar Advance as an ABR Advance and (c) such Lender's Loans then outstanding as such Eurodollar Advances, if any, shall be Converted automatically to an ABR Advance on the last day of the then current Interest Period applicable thereto or at such earlier time as may be required. If the commitment of any Lender with respect to Eurodollar Advances is suspended pursuant to this Section and such Lender shall have obtained actual knowledge that it is once again legal for such Lender to make or maintain Eurodollar Advances, such Lender shall promptly notify the Administrative Agent and the Borrower thereof and, upon receipt of such notice by each of the Administrative Agent and the Borrower, such Lender's commitment to make or maintain Eurodollar Advances shall be reinstated. If the commitment of any Lender with respect to Eurodollar Advances is suspended pursuant to this Section, such suspension shall not otherwise affect such Lender's Commitment.

3.8 Option to Fund; Substituted Interest Rate

(a) Each Lender has indicated that, if the Borrower requests a Swing Line Loan, a Eurodollar Advance or a Competitive Bid Loan, such Lender may wish to purchase one or more deposits in order to fund or maintain its funding of its Commitment Percentage of such Eurodollar Advance or its Swing Line Loan or Competitive Bid Loan during the Interest Period with respect thereto; it being understood that the provisions of this Agreement relating to such funding are included only for the purpose of determining the rate of interest to be paid in respect of such Swing Line Loan, Eurodollar Advance or Competitive Bid Loan and any amounts owing under Sections 3.5 and 3.6. The Swing Line Lender and each Lender shall be entitled to fund and maintain its funding of all or any part of each Swing Line Loan, Eurodollar Advance and Competitive Bid Loan in any manner it sees fit, but all such determinations hereunder shall be made as if such Lender had actually funded and maintained its Commitment Percentage of each Eurodollar Advance or its Swing Line Loan or Competitive Bid Loan, as the case may be, during the applicable Interest Period through the purchase of deposits in an amount equal to the amount of its Commitment Percentage of such Eurodollar Advance or the amount of such Swing Line Loan or Competitive Bid Loan, as the case may be, and having a maturity corresponding to such

Interest Period. Each Lender may fund its Loans from or for the account of any branch or office of such Lender as such Lender may choose from time to time, subject to Section 3.10.

(b) In the event that (i) the Administrative Agent shall have determined in good faith (which determination shall be conclusive and binding upon the Borrower) that by reason of circumstances affecting the interbank eurodollar market either adequate and reasonable means do not exist for ascertaining the Eurodollar Rate applicable pursuant to Section 2.3 or Section 3.3, or (ii) the Required Lenders shall have notified the Administrative Agent that they have in good faith determined (which determination shall be conclusive and binding on the Borrower) that the applicable Eurodollar Rate will not adequately and fairly reflect the cost to such Lenders of maintaining or funding loans bearing interest based on such Eurodollar Rate with respect to any portion of the Loans that the Borrower has requested be made as Eurodollar Advances or any Eurodollar Advance that will result from the requested conversion of any portion of the Loans into Eurodollar Advances (each, an "*Affected Advance*"), the Administrative Agent shall promptly notify the Borrower and the Lenders (by telephone or otherwise, to be promptly confirmed in writing) of such determination on or, to the extent practicable, prior to the requested Borrowing Date or conversion date for such Affected Advances. If the Administrative Agent shall give such notice, (A) any Affected Advances shall be made as ABR Advances (or, subject to the terms and conditions hereof, Competitive Bid Loans), (B) the Loans (or any portion thereof) that were to have been Converted to Affected Advances shall be Converted to or continued as ABR Advances (or, subject to the terms and conditions hereof, Competitive Bid Loans), and (C) any outstanding Affected Advances shall be Converted, on the last day of the then current Interest Period with respect thereto, to ABR Advances (or, subject to the terms and conditions hereof, Competitive Bid Loans). Until any notice under clauses (i) or (ii), as the case may be, of this Section 3.8(b) has been withdrawn by the Administrative Agent (by notice to the Borrower) promptly upon either (x) the Administrative Agent having determined that such circumstances affecting the relevant market no longer exist and that adequate and reasonable means do exist for determining the Eurodollar Rate pursuant to Section 2.3 or Section 3.3, or (y) the Administrative Agent having been notified by such Required Lenders that circumstances no longer render the Loans (or any portion thereof) Affected Advances, no further Eurodollar Advances shall be required to be made by the Lenders nor shall the Borrower have the right to Convert all or any portion of the Loans to Eurodollar Advances.

3.9 Certificates of Payment and Reimbursement

Each Issuer and each Lender agrees, in connection with any request by it for payment or reimbursement pursuant to Section 3.5 or 3.6, to provide the Borrower with a certificate, signed by an officer of the Issuer or such Lender, as the case may be, setting forth a description in reasonable detail of any such payment or reimbursement. Each determination by the Issuer and each Lender of such payment or reimbursement shall be conclusive absent manifest error.

3.10 Taxes; Net Payments

(a) All payments made by the Borrower under the Loan Documents shall be made free and clear of, and without reduction for or on account of, any taxes required by law to be withheld from any amounts payable under the Loan Documents. In the event that the Borrower is prohibited by law from making such payments free of deductions or withholdings, then the Borrower shall pay such additional amounts to the Administrative Agent, for the benefit of the Issuer and the Lenders, as may be necessary in order that the actual amounts received by the Issuer and the Lenders in respect of interest and any other amounts payable under the Loan Documents after deduction or withholding (and after payment of any additional taxes or other charges due as a consequence of the payment of such additional amounts) shall equal the amount that would have been received if such deduction or withholding were not required. In the event that any such deduction or withholding can be reduced or nullified as a result of the application of any relevant double taxation convention, the Lenders, the Issuer and the Administrative Agent will, at the expense of the Borrower, cooperate with the Borrower in making application to the relevant taxing authorities seeking to obtain such reduction or nullification, *provided* that the Lenders, the Issuer and the Administrative Agent shall have no obligation to (i) engage in any litigation, hearing or proceeding with respect thereto or (ii) disclose any tax return or other confidential information. If the Borrower shall make any payment under this Section or shall make any deduction or withholding from amounts paid under any Loan Document, the Borrower shall forthwith forward to the Administrative Agent original or certified copies of official receipts or other evidence acceptable to the Administrative Agent establishing each such payment, deduction or withholding, as the case may be, and the Administrative Agent in turn shall distribute copies thereof to the Issuer and each Lender. If any payment to the Issuer or any Lender under any Loan Document is or becomes subject to any withholding, the Issuer or such Lender, as the case may be, shall (unless otherwise required by a Governmental Authority or as a result of any law, rule, regulation, order or similar directive applicable to the Issuer or such Lender, as the case may be) designate a different office or branch to which such payment is to be made from that initially selected thereby, if such designation would avoid such withholding and would not be otherwise disadvantageous to the Issuer or such Lender, as the case may be, in any respect. In the event that the Issuer or any Lender determines that it received a refund or credit for taxes paid by the Borrower under this Section, the Issuer or such Lender, as the case may be, shall promptly notify the Administrative Agent and the Borrower of such fact and shall remit to the Borrower the amount of such refund or credit applicable to the payments made by the Borrower in respect of the Issuer or such Lender, as the case may be, under this Section.

(b) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under the Loan Documents shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Notwithstanding any provision herein to the contrary, the Borrower shall have no obligation to pay to any Lender any amount which the Borrower is liable to withhold due to the failure of such Lender to file any statement of exemption required by the Internal Revenue Code.

3.11 Fees

(a) *Facility Fee.* The Borrower agrees to pay to the Administrative Agent for the pro rata account of each Lender a fee (the “*Facility Fee*”) during the period commencing on the earlier to occur of the Caremark Merger Effective Date and July 31, 2007 and ending on the Expiration Date, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the last day of the calendar quarter during which the Facility Fee shall commence to accrue, and on the Expiration Date, at a rate per annum equal to the Applicable Margin of (a) prior to the Commitment Termination Date or such earlier date upon which all of the Commitments shall have been terminated in accordance with Section 2.6, the Commitment Amount of such Lender (whether used or unused), and (b) thereafter, the sum of (i) the outstanding principal balance of all Revolving Credit Loans of such Lender, (ii) such Lender’s Swing Line Exposure and (iii) such Lender’s Letter of Credit Exposure. Notwithstanding anything to the contrary contained in this Section, on and after the Commitment Termination Date, the Facility Fee shall be payable upon demand. In addition, upon each reduction of the Aggregate Commitment Amount, the Borrower shall pay the Facility Fee accrued on the amount of such reduction through the date of such reduction. The Facility Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(b) *Utilization Fee.* The Borrower agrees to pay to the Administrative Agent for the account of each Lender a fee (the “*Utilization Fee*”) for each day during the period commencing on the Effective Date and ending on the Expiration Date (or, if later, the date when the Committed Credit Exposure of such Lender is \$0) that the sum of (i) the Aggregate Credit Exposure, (ii) the Aggregate Credit Exposure (as defined in the Existing 2004 Five Year Credit Agreement), (iii) the Aggregate Credit Exposure (as defined in the Existing 2005 Five Year Credit Agreement) and (iv) the Aggregate Credit Exposure (as defined in the Existing 2006 Five Year Credit Agreement) on such date exceeds 50% of the sum of (i) the Aggregate Commitment Amount, (ii) the Aggregate Commitment Amount (as defined in the Existing 2004 Five Year Credit Agreement), (iii) the Aggregate Commitment Amount (as defined in the Existing 2005 Five Year Credit Agreement) and (iv) the Aggregate Commitment Amount (as defined in the Existing 2006 Five Year Credit Agreement) on such date, payable on each Interest Payment Date (other than an Interest Payment Date applicable solely to Competitive Bid Loans) or if Letters of Credit are outstanding, but no Revolving Credit Loans or Swing Line Loans are outstanding, payable on each date that the Letter of Credit Participation Fee is payable, at a rate per annum equal to the Applicable Margin of the sum of (i) the Committed Credit Exposure of such Lender, (ii) the Committed Credit Exposure (as defined in the Existing 2004 Five Year Credit Agreement) of such Lender, (iii) the Committed Credit Exposure (as defined in the Existing 2005 Five Year Credit Agreement) of such Lender and (iv) the Committed Credit Exposure (as defined in the Existing 2006 Five Year Credit Agreement) of such Lender on such date, less the sum of (i) the Utilization Fee (as defined in the Existing 2004 Five Year Credit Agreement), (ii) the Utilization Fee (as defined in the Existing 2005 Five Year Credit Agreement) and (iii) the Utilization Fee (as defined in the Existing 2006 Five Year Credit Agreement), in each case payable to such Lender for such day. Notwithstanding anything to the contrary contained in this Section, on and after the Commitment Termination Date, the Utilization Fee shall be payable upon demand. The Utilization Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

3.12 Letter of Credit Participation Fee

The Borrower agrees to pay to the Administrative Agent for the pro rata account of each Lender a fee (the “*Letter of Credit Participation Fee*”) with respect to the Letters of Credit during the period commencing on the Effective Date and ending on the Commitment Termination Date or, if later, the date when the Letter of Credit Exposure of all Lenders is \$0, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the last day of the calendar quarter in which the Effective Date shall have occurred, and on the last date of such period, at a rate per annum equal to the Applicable Margin of the average daily aggregate amount which may be drawn under the Letters of Credit during such period (whether or not the conditions for drawing thereunder have or may be satisfied) multiplied by such Lender’s Commitment Percentage. The Letter of Credit Participation Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

3.13 Replacement of Lender

If the Borrower is obligated to pay to any Lender any amount under Section 3.6 or 3.10, the Borrower shall have the right within 90 days thereafter, in accordance with the requirements of Section 11.7(b), if no Default or Event of Default shall exist, to replace such Lender (the “*Replaced Lender*”) with one or more other assignees (each a “*Replacement Lender*”), reasonably acceptable to the Swing Line Lender and the Issuer, *provided* that (i) at the time of any replacement pursuant to this Section, the Replacement Lender shall enter into one or more Assignment and Acceptance Agreements pursuant to Section 11.7(b) (with the processing and recordation fee referred to in Section 11.7(b) payable pursuant to said Section 11.7(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire the Commitment, the outstanding Loans, the Swing Line Exposure and the Letter of Credit Exposure of the Replaced Lender and, in connection therewith, shall pay the following: (a) to the Replaced Lender, an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans and Swing Line Participation Amounts of the Replaced Lender, (B) an amount equal to all drawings on all Letters of Credit that have been funded by (and not reimbursed to) such Replaced Lender, together with all then unpaid interest with respect thereto at such time, and (C) an amount equal to all accrued, but unpaid, fees owing to the Replaced Lender, (b) to the Issuer, an amount equal to such Replaced Lender’s Commitment Percentage of all drawings (which at such time remain unpaid drawings) to the extent such amount was not funded by such Replaced Lender, (c) to the Swing Line Lender, an amount equal to such Replaced Lender’s Commitment Percentage of any Mandatory Borrowing to the extent such amount was not funded by such Replaced Lender, and (d) to the Administrative Agent an amount equal to all amounts owed by such Replaced Lender to the Administrative Agent under this Agreement, including, without limitation, an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender, a corresponding amount of which was made available by the Administrative Agent to the Borrower pursuant to Section 3.1 and which has not been repaid to the Administrative Agent by such Replaced Lender or the Borrower, and (ii) all obligations of the Borrower owing to the Replaced Lender (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement. Upon the execution of the respective Assignment and Acceptance Agreements and the payment of amounts referred to in

clauses (i) and (ii) of this Section 3.13, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement that are intended to survive the termination of the Commitments and the repayment of the Loans.

4. REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent, the Lenders and the Issuer to enter into this Agreement, the Lenders to make the Loans and the Issuer to issue Letters of Credit, the Borrower hereby makes the following representations and warranties to the Administrative Agent, the Lenders and the Issuer:

4.1 *Existence and Power*

Each of the Borrower and the Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation (except, in the case of the Subsidiaries, where the failure to be in such good standing could not reasonably be expected to have a Material Adverse effect), has all requisite corporate power and authority to own its Property and to carry on its business as now conducted, and is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it owns or leases real Property or in which the nature of its business requires it to be so qualified (except those jurisdictions where the failure to be so qualified or to be in good standing could not reasonably be expected to have a Material Adverse effect).

4.2 *Authority*

The Borrower has full corporate power and authority to enter into, execute, deliver and perform the terms of the Loan Documents, all of which have been duly authorized by all proper and necessary corporate action and are not in contravention of any applicable law or the terms of its Certificate of Incorporation and By-Laws. No consent or approval of, or other action by, shareholders of the Borrower, any Governmental Authority, or any other Person (which has not already been obtained) is required to authorize in respect of the Borrower, or is required in connection with the execution, delivery, and performance by the Borrower of the Loan Documents or is required as a condition to the enforceability of the Loan Documents against the Borrower.

4.3 *Binding Agreement*

The Loan Documents constitute the valid and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles relating to the availability of specific performance as a remedy.

4.4 *Litigation*

As at February 2, 2007, there were no actions, suits, arbitration proceedings or claims (whether purportedly on behalf of the Borrower, any Subsidiary or otherwise) pending or,

to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary or any of their respective Properties, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse effect. There are no proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary (a) which call into question the validity or enforceability of any Loan Document, or otherwise seek to invalidate, any Loan Document, or (b) which might, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document (it being understood that the Caremark Merger is not a transaction contemplated by any Loan Document for purposes of this clause (b)).

4.5 No Conflicting Agreements

(a) Neither the Borrower nor any Subsidiary is in default under any agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse effect. No notice to, or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Borrower of the Loan Documents.

(b) No provision of any existing material mortgage, material indenture, material contract or material agreement or of any existing statute, rule, regulation, judgment, decree or order binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance by the Borrower of the terms of, any Loan Document. The execution, delivery or performance by the Borrower of the terms of each Loan Document will not constitute a default under, or result in the creation or imposition of, or obligation to create, any Lien upon the Property of the Borrower or any Subsidiary pursuant to the terms of any such mortgage, indenture, contract or agreement.

4.6 Taxes

The Borrower and each Subsidiary has filed or caused to be filed all tax returns, and has paid, or has made adequate provision for the payment of, all taxes shown to be due and payable on said returns or in any assessments made against them, the failure of which to file or pay could reasonably be expected to have a Material Adverse effect, and no tax Liens (other than Liens permitted under Section 8.2) have been filed against the Borrower or any Subsidiary and no claims are being asserted with respect to such taxes which are required by GAAP to be reflected in the Financial Statements and are not so reflected, except for taxes which have been assessed but which are not yet due and payable. The charges, accruals and reserves on the books of the Borrower and each Subsidiary with respect to all federal, state, local and other taxes are considered by the management of the Borrower to be adequate, and the Borrower knows of no unpaid assessment which (a) could reasonably be expected to have a Material Adverse effect, or (b) is or might be due and payable against it or any Subsidiary or any Property of the Borrower or any Subsidiary, except such thereof as are being contested in good faith and by appropriate proceedings diligently conducted, and for which adequate reserves have been set aside in accordance with GAAP or which have been assessed but are not yet due and payable.

4.7 Compliance with Applicable Laws; Filings

Neither the Borrower nor any Subsidiary is in default with respect to any judgment, order, writ, injunction, decree or decision of any Governmental Authority which default could reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary is complying with all applicable statutes, rules and regulations of all Governmental Authorities, a violation of which could reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary has filed or caused to be filed with all Governmental Authorities all reports, applications, documents, instruments and information required to be filed pursuant to all applicable laws, rules, regulations and requests which, if not so filed, could reasonably be expected to have a Material Adverse effect.

4.8 Governmental Regulations

Neither the Borrower nor any Subsidiary nor any corporation controlling the Borrower or any Subsidiary or under common control with the Borrower or any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, or is subject to any statute or regulation which regulates the incurrence of Indebtedness.

4.9 Federal Reserve Regulations; Use of Proceeds

The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended. No part of the proceeds of the Loans or the Letters of Credit has been or will be used, directly or indirectly, and whether immediately, incidentally or ultimately, for a purpose which violates any law, rule or regulation of any Governmental Authority, including, without limitation, the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as amended. Anything in this Agreement to the contrary notwithstanding, neither the Issuer nor any Lender shall be obligated to extend credit to or on behalf of the Borrower in violation of any limitation or prohibition provided by any applicable law, regulation or statute, including said Regulation U. Following application of the proceeds of each Loan and the issuance of each Letter of Credit, not more than 25% (or such greater or lesser percentage as is provided in the exclusions from the definition of "Indirectly Secured" contained in said Regulation U as in effect at the time of the making of such Loan or issuance of such Letter of Credit) of the value of the assets of the Borrower and the Subsidiaries on a Consolidated basis that are subject to Section 8.2 will be Margin Stock. In addition, no part of the proceeds of any Loan or Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, to make a loan to any director or executive officer of the Borrower or any Subsidiary.

4.10 No Misrepresentation

No representation or warranty contained in any Loan Document and no certificate or written report furnished by the Borrower to the Administrative Agent or any Lender pursuant to any Loan Document contains or will contain, as of its date, a misstatement of material fact, or omits or will omit to state, as of its date, a material fact required to be stated in order to make the statements

therein contained not misleading in the light of the circumstances under which made (it being understood that the Borrower makes no representation or warranty hereunder with respect to any projections or other forward looking information).

4.11 Plans

Each Employee Benefit Plan of the Borrower, each Subsidiary and each ERISA Affiliate is in compliance with ERISA and the Internal Revenue Code, where applicable, except where the failure to so comply would not be material. The Borrower, each Subsidiary and each ERISA Affiliate have complied with the material requirements of Section 515 of ERISA with respect to each Pension Plan which is a Multiemployer Plan, except where the failure to so comply would not be material. The Borrower, each Subsidiary and each ERISA Affiliate has, as of the date hereof, made all contributions or payments to or under each Pension Plan required by law or the terms of such Pension Plan or any contract or agreement. No liability to the PBGC has been, or is reasonably expected by the Borrower, any Subsidiary or any ERISA Affiliate to be, incurred by the Borrower, any Subsidiary or any ERISA Affiliate. Liability, as referred to in this Section 4.11, includes any joint and several liability, but excludes any current or, to the extent it represents future liability in the ordinary course, any future liability for premiums under Section 4007 of ERISA. Each Employee Benefit Plan which is a group health plan within the meaning of Section 5000(b)(1) of the Internal Revenue Code is in material compliance with the continuation of health care coverage requirements of Section 4980B of the Internal Revenue Code and with the portability, nondiscrimination and other requirements of Sections 9801, 9802, 9803, 9811 and 9812 of the Internal Revenue Code.

4.12 Environmental Matters

Neither the Borrower nor any Subsidiary (a) has received written notice or otherwise learned of any claim, demand, action, event, condition, report or investigation indicating or concerning any potential or actual liability which individually or in the aggregate could reasonably be expected to have a Material Adverse effect, arising in connection with (i) any non-compliance with or violation of the requirements of any applicable federal, state or local environmental health or safety statute or regulation, or (ii) the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment, (b) to the best knowledge of the Borrower, has any threatened or actual liability in connection with the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment which individually or in the aggregate could reasonably be expected to have a Material Adverse effect, (c) has received notice of any federal or state investigation evaluating whether any remedial action is needed to respond to a release or threatened release of any toxic or hazardous waste, substance or constituent or other substance into the environment for which the Borrower or any Subsidiary is or would be liable, which liability would reasonably be expected to have a Material Adverse effect, or (d) has received notice that the Borrower or any Subsidiary is or may be liable to any Person under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601 *et seq.*, or any analogous state law, which liability would reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary is in compliance with the financial responsibility requirements of federal and state environmental laws to the extent applicable, including those contained in 40 C.F.R., parts 264 and

265, subpart H, and any analogous state law, except in those cases in which the failure so to comply would not reasonably be expected to have a Material Adverse effect.

4.13 Financial Statements

The Borrower has heretofore delivered to the Lenders through the Administrative Agent copies of the audited Consolidated Balance Sheet of the Borrower and its Subsidiaries as of December 30, 2006, and the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows for the fiscal year then ended. The financial statements referred to immediately above, including all related notes and schedules, are herein referred to collectively as the "*Financial Statements*". The Financial Statements fairly present the Consolidated financial condition and results of the operations of the Borrower and the Subsidiaries as of the dates and for the periods indicated therein and, except as noted therein, have been prepared in conformity with GAAP as then in effect. Neither the Borrower nor any of the Subsidiaries has any obligation or liability of any kind (whether fixed, accrued, contingent, unmatured or otherwise) which, in accordance with GAAP as then in effect, should have been disclosed in the Financial Statements and was not. During the period from December 30, 2006 to and including February 2, 2007 there was no Material Adverse change, including as a result of any change in law, in the consolidated financial condition, operations, business or Property of the Borrower and the Subsidiaries taken as a whole.

5. CONDITIONS OF LENDING - FIRST LOANS AND LETTERS OF CREDIT ON THE FIRST BORROWING DATE

In addition to the requirements set forth in Section 6, the obligation of each Lender on the first Borrowing Date to make one or more Revolving Credit Loans, the Swing Line Lender to make one or more Swing Line Loans, the Issuer to issue one or more Letters of Credit and any Lender to make a Competitive Bid Loan are subject to the fulfillment of the following conditions precedent prior to or simultaneously with the Effective Date:

5.1 Evidence of Corporate Action

The Administrative Agent shall have received a certificate, dated the Effective Date, of the Secretary or an Assistant Secretary of the Borrower (i) attaching a true and complete copy of the resolutions of its Board of Directors and of all documents evidencing all other necessary corporate action (in form and substance reasonably satisfactory to the Administrative Agent) taken by the Borrower to authorize the Loan Documents and the transactions contemplated thereby, (ii) attaching a true and complete copy of its Certificate of Incorporation and By-Laws, (iii) setting forth the incumbency of the officer or officers of the Borrower who may sign the Loan Documents and any other certificates, requests, notices or other documents now or in the future required thereunder, and (iv) attaching a certificate of good standing of the Secretary of State of the State of Delaware.

5.2 Notes

The Administrative Agent shall have received a Note for each Lender that shall have requested one, executed by the Borrower.

5.3 Opinion of Counsel to the Borrower

The Administrative Agent shall have received:

- (a) an opinion of Zenon Lankowsky, counsel to the Borrower, dated the Effective Date, and in the form of Exhibit D-1; and
- (b) an opinion of Davis Polk & Wardwell, special counsel to the Borrower, dated the Effective Date, and in the form of Exhibit D-2.

6. CONDITIONS OF LENDING - ALL LOANS AND LETTERS OF CREDIT

The obligation of each Lender on any Borrowing Date to make each Revolving Credit Loan (other than a Revolving Credit Loan constituting a Mandatory Borrowing), the Swing Line Lender to make each Swing Line Loan, the Issuer to issue each Letter of Credit and any Lender to make a Competitive Bid Loan are subject to the fulfillment of the following conditions precedent:

6.1 Compliance

On each Borrowing Date, and after giving effect to the Loans to be made or the Letters of Credit to be issued on such Borrowing Date, (a) there shall exist no Default or Event of Default, and (b) the representations and warranties contained in this Agreement shall be true and correct with the same effect as though such representations and warranties had been made on such Borrowing Date, except those which are expressly specified to be made as of an earlier date.

6.2 Requests

The Administrative Agent shall have received either or both, as applicable, of a Borrowing Request or a Letter of Credit Request from the Borrower.

6.3 Loan Closings

All documents required by the provisions of this Agreement to have been executed or delivered by the Borrower to the Administrative Agent, any Lender or the Issuer on or before the applicable Borrowing Date shall have been so executed or delivered on or before such Borrowing Date.

7. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that on and after the Effective Date and until the later to occur of (a) the Commitment Termination Date and (b) the payment in full of the Loans, the Reimbursement Obligations, the Fees and all other sums payable under the Loan Documents, the Borrower will:

7.1 Legal Existence

Except as may otherwise be permitted by Sections 8.3 and 8.4, maintain, and cause each Subsidiary to maintain, its corporate existence in good standing in the jurisdiction of its incorporation or formation and in each other jurisdiction in which the failure so to do could reasonably be expected to have a Material Adverse effect, except that the corporate existence of Subsidiaries operating closing or discontinued operations may be terminated.

7.2 Taxes

Pay and discharge when due, and cause each Subsidiary so to do, all taxes, assessments, governmental charges, license fees and levies upon or with respect to the Borrower and such Subsidiary, and upon the income, profits and Property thereof unless, and only to the extent, that either (i)(a) such taxes, assessments, governmental charges, license fees and levies shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (b) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor, or (ii) the failure to pay or discharge such taxes, assessments, governmental charges, license fees and levies could not reasonably be expected to have a Material Adverse effect.

7.3 Insurance

Keep, and cause each Subsidiary to keep, insurance with responsible insurance companies in such amounts and against such risks as is usually carried by the Borrower or such Subsidiary.

7.4 Performance of Obligations

Pay and discharge promptly when due, and cause each Subsidiary so to do, all lawful Indebtedness, obligations and claims for labor, materials and supplies or otherwise which, if unpaid, could reasonably be expected to (a) have a Material Adverse effect, or (b) become a Lien on the Property of the Borrower or any Subsidiary, except those Liens permitted under Section 8.2, *provided* that neither the Borrower nor such Subsidiary shall be required to pay or discharge or cause to be paid or discharged any such Indebtedness, obligation or claim so long as (i) the validity thereof shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor.

7.5 Condition of Property

Except for ordinary wear and tear, at all times, maintain, protect and keep in good repair, working order and condition, all material Property necessary for the operation of its business (other than Property which is replaced with similar Property) as then being operated, and cause each Subsidiary so to do.

7.6 Observance of Legal Requirements

Observe and comply in all material respects, and cause each Subsidiary so to do, with all laws, ordinances, orders, judgments, rules, regulations, certifications, franchises, permits, licenses, directions and requirements of all Governmental Authorities, which now or at any time hereafter may be applicable to it or to such Subsidiary, a violation of which could reasonably be expected to have a Material Adverse effect.

7.7 Financial Statements and Other Information

Maintain, and cause each Subsidiary to maintain, a standard system of accounting in accordance with GAAP, and furnish to each Lender:

(a) As soon as available and, in any event, within 120 days after the close of each fiscal year, a copy of (x) the Borrower's 10-K in respect of such fiscal year, and (y) (i) the Borrower's Consolidated Balance Sheet as of the end of such fiscal year, and (ii) the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows, as of and through the end of such fiscal year, setting forth in each case in comparative form the corresponding figures in respect of the previous fiscal year, all in reasonable detail, and accompanied by a report of the Borrower's auditors, which report shall state that (A) such auditors audited such financial statements, (B) such audit was made in accordance with generally accepted auditing standards in effect at the time and provides a reasonable basis for such opinion, and (C) said financial statements have been prepared in accordance with GAAP;

(b) As soon as available, and in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of (x) the Borrower's 10-Q in respect of such fiscal quarter, and (y) (i) the Borrower's Consolidated Balance Sheet as of the end of such quarter and (ii) the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows for (A) such quarter and (B) the period from the beginning of the then current fiscal year to the end of such quarter, in each case in comparable form with the prior fiscal year, all in reasonable detail and prepared in accordance with GAAP (without footnotes and subject to year-end adjustments);

(c) Simultaneously with the delivery of the financial statements required by clauses (a) and (b) above, a certificate of the chief financial officer or treasurer of the Borrower certifying that no Default or Event of Default shall have occurred or be continuing or, if so, specifying in such certificate all such Defaults and Events of Default, and setting forth computations in reasonable detail demonstrating compliance with Sections 8.1 and 8.9.

(d) Prompt notice upon the Borrower becoming aware of any change in a Pricing Level;

(e) Promptly upon becoming available, copies of all regular or periodic reports (including current reports on Form 8-K) which the Borrower or any Subsidiary may now or hereafter be required to file with or deliver to the Securities and Exchange Commission, or any

other Governmental Authority succeeding to the functions thereof, and copies of all material news releases sent to all stockholders;

(f) Prompt written notice of: (i) any citation, summons, subpoena, order to show cause or other order naming the Borrower or any Subsidiary a party to any proceeding before any Governmental Authority which could reasonably be expected to have a Material Adverse effect, and include with such notice a copy of such citation, summons, subpoena, order to show cause or other order, (ii) any lapse or other termination of any license, permit, franchise or other authorization issued to the Borrower or any Subsidiary by any Governmental Authority, (iii) any refusal by any Governmental Authority to renew or extend any license, permit, franchise or other authorization, and (iv) any dispute between the Borrower or any Subsidiary and any Governmental Authority, which lapse, termination, refusal or dispute, referred to in clause (ii), (iii) or (iv) above, could reasonably be expected to have a Material Adverse effect;

(g) Prompt written notice of the occurrence of (i) each Default, (ii) each Event of Default and (iii) each Material Adverse change;

(h) Promptly upon receipt thereof, copies of any audit reports delivered in connection with the statements referred to in Section 7.7(a);

(i) From time to time, such other information regarding the financial position or business of the Borrower and the Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request; and

(j) Prompt written notice of such other information with documentation required by bank regulatory authorities under applicable “know your customer” and Anti-Money Laundering rules and regulations (including, without limitation, the Patriot Act), as from time to time may be reasonably requested by the Administrative Agent or any Lender.

7.8 Records

Upon reasonable notice and during normal business hours, permit representatives of the Administrative Agent and each Lender to visit the offices of the Borrower and each Subsidiary, to examine the books and records (other than tax returns and work papers related to tax returns) thereof and auditors’ reports relating thereto, to discuss the affairs of the Borrower and each Subsidiary with the respective officers thereof, and to meet and discuss the affairs of the Borrower and each Subsidiary with the Borrower’s auditors.

7.9 Authorizations

Maintain and cause each Subsidiary to maintain, in full force and effect, all copyrights, patents, trademarks, trade names, franchises, licenses, permits, applications, reports, and other authorizations and rights, which, if not so maintained, would individually or in the aggregate have a Material Adverse effect.

8. *NEGATIVE COVENANTS*

The Borrower covenants and agrees that on and after the Effective Date and until the later to occur of (a) the Commitment Termination Date and (b) the payment in full of the Loans, the Reimbursement Obligations, the Fees and all other sums which are payable under the Loan Documents, the Borrower will not:

8.1 *Subsidiary Indebtedness*

Permit the Indebtedness of all Subsidiaries (excluding the ESOP Guaranty) to exceed (on a combined basis) 10% of Tangible Net Worth.

8.2 *Liens*

Create, incur, assume or suffer to exist any Lien against or on any Property now owned or hereafter acquired by the Borrower or any of the Subsidiaries, or permit any of the Subsidiaries so to do, except any one or more of the following types of Liens: (a) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA or the minimum funding obligations under Section 412 of the Code), (b) Liens to secure the performance of bids, tenders, letters of credit, contracts (other than contracts for the payment of Indebtedness), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature, in each such case arising in the ordinary course of business, (c) mechanics', workmen's, carriers', warehousemen's, materialmen's, landlords' or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate proceedings diligently conducted, (d) Liens for taxes, assessments, fees or governmental charges the payment of which is not required by Section 7.2, (e) easements, rights of way, restrictions, leases of Property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting Property which in the aggregate do not materially impair its use for the operation of the business of the Borrower or such Subsidiary, (f) Liens on Property of the Subsidiaries under capital leases and Liens on Property of the Subsidiaries acquired (whether as a result of purchase, capital lease, merger or other acquisition) and either existing on such Property when acquired, or created contemporaneously with or within 12 months of such acquisition to secure the payment or financing of the purchase price of such Property (including the construction, development, substantial repair, alteration or improvement thereof), and any renewals thereof, *provided* that such Liens attach only to the Property so purchased or acquired (including any such construction, development, substantial repair, alteration or improvement thereof) and *provided further* that the Indebtedness secured by such Liens is permitted by Section 8.1, (g) statutory Liens in favor of lessors arising in connection with Property leased to the Borrower or any of the Subsidiaries, (h) Liens of attachments, judgments or awards against the Borrower or any of the Subsidiaries with respect to which an appeal or proceeding for review shall be pending or a stay of execution or bond shall have been obtained, or which are otherwise being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or such Subsidiary, (i) Liens securing Indebtedness of a Subsidiary to the Borrower or another Subsidiary, (j) Liens (other than

Liens permitted by any of the foregoing clauses) arising in the ordinary course of its business which do not secure Indebtedness and do not, in the aggregate, materially detract from the value of the business of the Borrower and its Subsidiaries, taken as a whole, and (k) additional Liens securing Indebtedness of the Borrower and the Subsidiaries in an aggregate outstanding Consolidated principal amount not exceeding 10% of Tangible Net Worth.

8.3 Dispositions

Make any Disposition, or permit any of its Subsidiaries so to do, of all or substantially all of the assets of the Borrower and the Subsidiaries on a Consolidated basis.

8.4 Merger or Consolidation, Etc.

The Borrower will not consolidate with, be acquired by, or merge into or with any Person unless (x) immediately after giving effect thereto no Default or Event of Default shall or would exist and (y) either (i) the Borrower or (ii) a corporation organized and existing under the laws of one of the States of the United States of America shall be the survivor of such consolidation or merger, *provided* that if the Borrower is not the survivor, the corporation which is the survivor shall expressly assume, pursuant to an instrument executed and delivered to the Administrative Agent, and in form and substance satisfactory to the Administrative Agent, all obligations of the Borrower under the Loan Documents and the Administrative Agent shall have received such documents, opinions and certificates as it shall have reasonably requested in connection therewith.

8.5 Acquisitions

Make any Acquisition, or permit any of the Subsidiaries so to do, except any one or more of the following: (a) Intercompany Dispositions permitted by Section 8.3 and (b) Acquisitions by the Borrower or any of the Subsidiaries (including the Caremark Merger), *provided* that immediately before and after giving effect to each such Acquisition no Default or Event of Default shall or would exist.

8.6 Restricted Payments

Make any Restricted Payment or permit any of the Subsidiaries so to do, except any one or more of the following Restricted Payments: (a) any direct or indirect Subsidiary may make dividends or other distributions to the Borrower or to any other direct or indirect Subsidiary, and (b) the Borrower may make Restricted Payments, *provided* that, in the case of this clause (b), immediately before and after giving effect thereto, no Event of Default shall or would exist. Nothing in this Section 8.6 shall prohibit or restrict the declaration or payment of dividends in respect of the Series One ESOP Convertible Preferred Stock of the Borrower.

8.7 Limitation on Upstream Dividends by Subsidiaries

Permit or cause any of the Subsidiaries to enter into or agree, or otherwise be or become subject, to any agreement, contract or other arrangement (other than this Agreement) with any Person (each a "*Restrictive Agreement*") pursuant to the terms of which (a) such Subsidiary is or would be prohibited from declaring or paying any cash dividends on any class of its stock owned

directly or indirectly by the Borrower or any of the other Subsidiaries or from making any other distribution on account of any class of any such stock (herein referred to as “*Upstream Dividends*”), or (b) the declaration or payment of Upstream Dividends by a Subsidiary to the Borrower or another Subsidiary, on an annual or cumulative basis, is or would be otherwise limited or restricted (“*Dividend Restrictions*”). Notwithstanding the foregoing, nothing in this Section 8.7 shall prohibit:

(i) Dividend Restrictions set forth in any Restrictive Agreement in effect on the date hereof and any extensions, refinancings, renewals or replacements thereof, *provided* that the Dividend Restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Lenders than those Dividend Restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(ii) Dividend Restrictions existing with respect to any Person acquired by the Borrower or any Subsidiary and existing at the time of such acquisition, which Dividend Restrictions are not applicable to any Person or the property or assets of any Person other than such Person or its property or assets acquired, and any extensions, refinancings, renewals or replacements of any of the foregoing, *provided* that the Dividend Restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Lenders than those Dividend Restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(iii) Dividend Restrictions consisting of customary net worth, leverage and other financial covenants, customary covenants regarding the merger of or sale of assets of a Subsidiary, customary restrictions on transactions with affiliates, and customary subordination provisions governing Indebtedness owed to the Borrower or any Subsidiary, in each case contained in, or required by, any agreement governing Indebtedness incurred by a Subsidiary in accordance with Section 8.1; or

(iv) Dividend Restrictions contained in any other credit agreement so long as such Dividend Restrictions are no more restrictive than those contained in this Agreement (including Dividend Restrictions contained in the Existing 2004 Five Year Credit Agreement, the Existing 2005 Five Year Credit Agreement, the Existing 2006 Five Year Credit Agreement, the 2007 Bridge Credit Agreement and the 2007 364 Day Credit Agreement).

8.8 *Limitation on Negative Pledges*

Enter into any agreement, other than (i) this Agreement, (ii) the 2007 Bridge Credit Agreement, (iii) the 2007 364 Day Credit Agreement, (iv) any other credit agreement that is substantially similar to this Agreement, and (v) purchase money mortgages or capital leases permitted by this Agreement (in which cases, any prohibition or limitation shall only be effective against the assets financed thereby), or permit any Subsidiary so to do, which prohibits or limits the ability of the Borrower or such Subsidiary to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired to secure the obligations of the Borrower hereunder.

8.9 Ratio of Consolidated Indebtedness to Total Capitalization

Permit its ratio of Consolidated Indebtedness to Total Capitalization at the end of any fiscal quarter to exceed 0.6 : 1.0.

8.10 Caremark Merger

(a) Amend the Caremark Merger Agreement if such amendment has the effect of (i) increasing the purchase price to be paid by the Borrower thereunder by a material amount, (ii) increasing the liabilities of the Borrower thereunder by a material amount, or (iii) decreasing the assets being acquired thereunder by the Borrower by a material amount, in each case, without the consent of the Administrative Agent.

(b) Waive any material condition to the obligations of the sellers under the Caremark Merger Agreement to consummate the transactions contemplated by the Caremark Merger Agreement without the consent of the Administrative Agent.

9. DEFAULT

9.1 Events of Default

The following shall each constitute an “*Event of Default*” hereunder:

(a) The failure of the Borrower to make any payment of principal on any Loan or any reimbursement payment in respect of any Letter of Credit when due and payable; or

(b) The failure of the Borrower to make any payment of interest on any Loan or of any Fee on any date when due and payable and such default shall continue unremedied for a period of 5 Domestic Business Days after the same shall be due and payable; or

(c) The failure of the Borrower to observe or perform any covenant or agreement contained in Sections 2.5, 7.1 or in Section 8; or

(d) The failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement, and such failure shall have continued unremedied for a period of 30 days after the Borrower shall have become aware of such failure; or

(e) An Event of Default (as defined in any Reimbursement Agreement) shall occur under any Reimbursement Agreement; or

(f) Any representation or warranty of the Borrower (or of any of its officers on its behalf) made in any Loan Document, or made in any certificate, report, opinion (other than an opinion of counsel) or other document delivered on or after the date hereof shall in any such case prove to have been incorrect or misleading (whether because of misstatement or omission) in any material respect when made; or

(g) (i) Obligations in an aggregate Consolidated amount in excess of \$25,000,000 of the Borrower (other than its obligations hereunder and under the Notes) and the Subsidiaries, whether as principal, guarantor, surety or other obligor, for the payment of any Indebtedness or any net liability under interest rate swap, collar, exchange or cap agreements, (A) shall become or shall be declared to be due and payable prior to the expressed maturity thereof, or (B) shall not be paid when due or within any grace period for the payment thereof, or (ii) any holder of any such obligations shall have the right to declare the Indebtedness evidenced thereby due and payable prior to its stated maturity; or

(h) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(i) The Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(j) The Borrower or any Subsidiary shall (i) suspend or discontinue its business (except for store closings in the ordinary course of business and except in connection with a permitted Disposition under Section 8.3 and as may otherwise be expressly permitted herein), or (ii) generally not be paying its debts as such debts become due, or (iii) admit in writing its inability to pay its debts as they become due; or

(k) Judgments or decrees in an aggregate Consolidated amount in excess of \$25,000,000 against the Borrower and the Subsidiaries shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of 60 days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment; or

(l) After the Effective Date a Change of Control shall occur; or

(m) (i) Any Termination Event shall occur (x) with respect to any Pension Plan (other than a Multiemployer Plan) or (y) with respect to any other retirement plan subject to Section 302 of ERISA or Section 412 of the Internal Revenue Code, which plan, during the five

year period prior to such Termination Event, was the responsibility in whole or in part of the Borrower, any Subsidiary or any ERISA Affiliate, *provided* that this clause (y) shall only apply if, in connection with such Termination Event, it is reasonably likely that liability in an aggregate Consolidated amount in excess of \$25,000,000 will be imposed upon the Borrower, any Subsidiary or any ERISA Affiliate; (ii) any Accumulated Funding Deficiency, whether or not waived, in an aggregate Consolidated amount in excess of \$25,000,000 shall exist with respect to any Pension Plan (other than that portion of a Multiemployer Plan's Accumulated Funding Deficiency to the extent such Accumulated Funding Deficiency is attributable to employers other than Borrower, any Subsidiary or any ERISA Affiliate); (iii) any Person shall engage in any Prohibited Transaction involving any Employee Benefit Plan; (iv) the Borrower, any Subsidiary or any ERISA Affiliate shall fail to pay when due an amount which is payable by it to the PBGC or to a Pension Plan (including a Multiemployer Plan) under Title IV of ERISA; (v) the imposition of any tax under Section 4980(B)(a) of the Internal Revenue Code; or (vi) the assessment of a civil penalty with respect to any Employee Benefit Plan under Section 502(c) of ERISA; in each case, to the extent such event or condition would have a Material Adverse effect.

9.2 Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance of an Event of Default, the Administrative Agent, at the written request of the Required Lenders, shall notify the Borrower that the Commitments, the Swing Line Commitment and the Letter of Credit Commitment have been terminated and/or that all of the Loans, the Notes and the Reimbursement Obligations and all accrued and unpaid interest on any thereof and all other amounts owing under the Loan Documents have been declared immediately due and payable, *provided* that upon the occurrence of an Event of Default under Section 9.1(h), (i) or (j) with respect to the Borrower, the Commitments, the Swing Line Commitment and the Letter of Credit Commitment shall automatically terminate and all of the Loans, the Notes and the Reimbursement Obligations and all accrued and unpaid interest on any thereof and all other amounts owing under the Loan Documents shall become immediately due and payable without declaration or notice to the Borrower. To the fullest extent not prohibited by law, except for the notice provided for in the preceding sentence, the Borrower expressly waives any presentment, demand, protest, notice of protest or other notice of any kind in connection with the Loan Documents and its obligations thereunder. To the fullest extent not prohibited by law, the Borrower further expressly waives and covenants not to assert any appraisal, valuation, stay, extension, redemption or similar law, now or at any time hereafter in force which might delay, prevent or otherwise impede the performance or enforcement of the Loan Documents.

(b) In the event that the Commitments, the Swing Line Commitment and the Letter of Credit Commitment shall have been terminated or all of the Loans, the Notes and the Reimbursement Obligations shall have been declared due and payable pursuant to the provisions of this Section, (i) the Borrower shall forthwith deposit an amount equal to the Letter of Credit Exposure in a cash collateral account with and under the exclusive control of the Administrative Agent, and (ii) the Administrative Agent, the Issuer and the Lenders agree, among themselves, that any funds received from or on behalf of the Borrower under any Loan Document by the Issuer or any Lender (except funds received by the Issuer or any Lender as a result of a purchase from the Issuer or such Lender, as the case may be, pursuant to the provisions of Section 11.9(b))

shall be remitted to the Administrative Agent, and shall be applied by the Administrative Agent in payment of the Loans, the Reimbursement Obligations and the other obligations of the Borrower under the Loan Documents in the following manner and order: (1) first, to reimburse the Administrative Agent, the Issuer and the Lenders, in that order, for any expenses due from the Borrower pursuant to the provisions of Section 11.5 and the Reimbursement Agreements, (2) second, to the payment of the Fees, (3) third, to the payment of any expenses or amounts (other than the principal of and interest on the Loans and the Notes and the Reimbursement Obligations) payable by the Borrower to the Administrative Agent, the Issuer or any of the Lenders under the Loan Documents, (4) fourth, to the payment, pro rata according to the outstanding principal balance of the Loans and the Letter of Credit Exposure of each Lender, of interest due on the Loans and the Reimbursement Obligations, (5) fifth, to the payment, pro rata according to the sum of (A) the aggregate outstanding principal balance of the Loans of each Lender *plus* (B) the aggregate outstanding balance of the Reimbursement Obligations of each Lender, of the aggregate outstanding principal balance of the Loans and the aggregate outstanding balance of the Reimbursement Obligations, and (6) sixth, any remaining funds shall be paid to whosoever shall be entitled thereto or as a court of competent jurisdiction shall direct.

(c) In the event that the Loans and the Notes and the Reimbursement Obligations shall have been declared due and payable pursuant to the provisions of this Section 9.2, the Administrative Agent upon the written request of the Required Lenders, shall proceed to enforce the Reimbursement Obligations and the rights of the holders of the Loans and the Notes by suit in equity, action at law and/or other appropriate proceedings, whether for payment or the specific performance of any covenant or agreement contained in the Loan Documents. In the event that the Administrative Agent shall fail or refuse so to proceed, the Issuer and each Lender shall be entitled to take such action as the Required Lenders shall deem appropriate to enforce its rights under the Loan Documents.

10. *AGENT*

10.1 *Appointment*

Each Lender hereby irrevocably designates and appoints BNY as the Administrative Agent of such Lender under the Loan Documents and each Lender irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained in the Loan Documents, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth in the Loan Documents, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against the Administrative Agent.

10.2 *Delegation of Duties*

The Administrative Agent may execute any of its duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to rely upon the advice of counsel

concerning all matters pertaining to such duties, and shall not be liable for any action taken or omitted to be taken in good faith upon the advice of such counsel.

10.3 Exculpatory Provisions

None of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by the Administrative Agent or such Person under or in connection with the Loan Documents (except the Administrative Agent for its own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any party contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any of the Loan Documents or for any failure of the Borrower or any other Person to perform its obligations thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire into the observance or performance of any of the covenants or agreements contained in, or conditions of, the Loan Documents, or to inspect the Property, books or records of the Borrower or any Subsidiary. The Administrative Agent shall not be under any liability or responsibility to the Borrower or any other Person as a consequence of any failure or delay in performance, or any breach, by any Lender of any of its obligations under any of the Loan Documents. The Lenders acknowledge that the Administrative Agent shall not be under any duty to take any discretionary action permitted under the Loan Documents unless the Administrative Agent shall be requested in writing to do so by the Required Lenders.

10.4 Reliance by Administrative Agent

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, request, consent, certificate, affidavit, opinion, letter, cablegram, telegram, fax, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall not be under any duty to examine or pass upon the validity, effectiveness or genuineness of the Loan Documents or any instrument, document or communication furnished pursuant thereto or in connection therewith, and the Administrative Agent shall be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be. The Administrative Agent shall be fully justified in failing or refusing to take any action not expressly required under the Loan Documents unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Lenders or, if required by Section 11.1, all Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Borrower, all the Lenders and all future holders of the Notes.

10.5 Notice of Default

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent shall have received written notice thereof from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating such notice is a "Notice of Default." In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders, *provided* that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action or give such directions, or refrain from taking such action or giving such directions, with respect to such Default or Event of Default as it shall deem to be in the best interests of the Lenders.

10.6 Non-Reliance

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to such Lender and that no act by the Administrative Agent hereafter, including any review of the affairs of the Borrower or the Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that such Lender has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Borrower and the Subsidiaries and has made its own decision to enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, evaluations and decisions in taking or not taking action under the Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Borrower and the Subsidiaries. Each Lender acknowledges that a copy of this Agreement and all exhibits and schedules hereto have been made available to it and its individual counsel for review, and each Lender acknowledges that it is satisfied with the form and substance thereof. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, financial and other condition or creditworthiness of the Borrower or the Subsidiaries which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

10.7 Administrative Agent in Its Individual Capacity

BNY and each Affiliate thereof, may make loans to, accept deposits from, issue letters of credit for the account of and generally engage in any kind of business with the Borrower and the Subsidiaries as though it were not the Administrative Agent. With respect to the

Commitment made or renewed by BNY and each Note issued to BNY (if any), BNY shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, the Issuer and the Swing Line Lender, and the term “Lender” shall include BNY.

10.8 Successor Administrative Agent

If at any time the Administrative Agent deems it advisable, in its sole discretion, it may submit to each Lender a written notification of its resignation as Administrative Agent under the Loan Documents, such resignation to be effective on the earlier to occur of (a) the thirtieth day after the date of such notice, and (b) the date upon which any successor to the Administrative Agent, in accordance with the provisions of this Section, shall have accepted in writing its appointment as successor Administrative Agent. Upon any such resignation, the Required Lenders shall have the right to appoint from among the Lenders a successor Administrative Agent, which successor Administrative Agent, *provided* that no Default or Event of Default shall then exist, shall be reasonably satisfactory to the Borrower. If no such successor Administrative Agent shall have been so appointed by the Required Lenders and accepted such appointment within 30 days after the retiring Administrative Agent’s giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor Administrative Agent shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the written acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall automatically become a party to this Agreement and shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent’s rights, powers, privileges and duties as Administrative Agent under the Loan Documents shall be terminated. The Borrower and the Lenders shall execute such documents as shall be necessary to effect such appointment. After any retiring Administrative Agent’s resignation as Administrative Agent, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent. If at any time there shall not be a duly appointed and acting Administrative Agent, upon notice duly given, the Borrower agrees to make each payment when due under the Loan Documents directly to the Lenders entitled thereto during such time.

10.9 Co-Syndication Agents and Documentation Agent

The Co-Syndication Agents and the Documentation Agent shall have no duties or obligations under the Loan Documents in their capacities as Co-Syndication Agents or Documentation Agent, respectively.

11. OTHER PROVISIONS

11.1 Amendments, Waivers, Etc.

With the written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time, enter into written amendments, supplements or modifications of

the Loan Documents and, with the written consent of the Required Lenders, the Administrative Agent on behalf of the Lenders may execute and deliver to any such parties a written instrument waiving or consenting to the departure from, on such terms and conditions as the Administrative Agent may specify in such instrument, any of the requirements of the Loan Documents or any Default or Event of Default and its consequences, *provided* that no such amendment, supplement, modification, waiver or consent shall (i) increase the Commitment Amount of any Lender without the consent of such Lender (*provided* that no waiver of a Default or Event of Default shall be deemed to constitute such an increase), (ii) extend the Commitment Period without the consent of each Lender directly affected thereby, (iii) reduce the amount, or extend the time of payment, of the Fees without the consent of each Lender directly affected thereby, (iv) reduce the rate, or extend the time of payment of, interest on any Revolving Credit Loan, any Note or any Reimbursement Obligation (other than the applicability of any post-default increase in such rate of interest) without the consent of each Lender directly affected thereby, (v) reduce the amount, or extend the time of payment of any payment of any Reimbursement Obligation or principal on any Revolving Credit Loan or any Note without the consent of each Lender directly affected thereby, (vi) decrease or forgive the principal amount of any Revolving Credit Loan, any Note or any Reimbursement Obligation without the consent of each Lender directly affected thereby, (vii) consent to any assignment or delegation by the Borrower of any of its rights or obligations under any Loan Document without the consent of each Lender, (viii) change the provisions of this Section 11.1 without the consent of each Lender, (ix) change the definition of Required Lenders without the consent of each Lender, (x) change the several nature of the obligations of the Lenders without the consent of each Lender, (xi) change the sharing provisions among Lenders without the consent of each Lender, or (xii) extend the expiration date of a Letter of Credit beyond the Commitment Termination Date without the consent of each Lender. Notwithstanding the foregoing, no such amendment, supplement, modification, waiver or consent shall (A) amend, modify or waive any provision of Section 10 or otherwise change any of the rights or obligations of the Administrative Agent, the Issuer or the Swing Line Lender under any Loan Document without the written consent of the Administrative Agent, the Issuer or the Swing Line Lender, as the case may be, (B) change the Letter of Credit Commitment, change the amount or the time of payment of the Letter of Credit Commissions, or change any other term or provision which relates to the Letter of Credit Commitment or the Letters of Credit without the written consent of the Issuer, (C) change the Swing Line Commitment, change the amount or the time of payment of the Swing Line Loans or interest thereon or change any other term or provision which relates to the Swing Line Commitment or the Swing Line Loans without the written consent of the Swing Line Lender or (D) change the amount or the time of payment of any Competitive Bid Loan or interest thereon without the written consent of the Lender holding such Competitive Bid Loan. Any such amendment, supplement, modification, waiver or consent shall apply equally to each of the Lenders and shall be binding upon the parties to the applicable Loan Document, the Lenders, the Administrative Agent and all future holders of the Loans and the Notes and the Reimbursement Obligations. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights under the Loan Documents, but any Default or Event of Default waived shall not extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2 Notices

Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

If to the Borrower:

CVS Corporation
1 CVS Drive
Woonsocket, Rhode Island 02895
Attention: Carol A. DeNale
Treasury Department
Facsimile: (401) 770-5768
Telephone:(401) 770-4407

with a copy, in the case of a notice of Default or Event of Default, to:

CVS Corporation
1 CVS Drive
Woonsocket, Rhode Island 02895
Attention: Legal Department
Facsimile: (401) 765-7887
Telephone:(401) 765-1500

If to the Administrative Agent, the Swing Line Lender and the Issuer:

in the case of each Borrowing Request, each notice of prepayment under Section 2.7, each Letter of Credit Request, each Competitive Bid Request, each Competitive Bid, and each Competitive Bid Accept/Reject Letter:

The Bank of New York
One Wall Street
New York, New York 10286
Attention: Kareen Sinclair,
Agency Function Administration
Facsimile: (212) 635-6365, 6366 or 6367
Telephone:(212) 635-4696,

and in all other cases:

The Bank of New York
Retailing Industry Division
19th Floor
One Wall Street
New York, New York 10286
Attention: William M. Barnum,
Managing Director
Facsimile: (212) 635-1481
Telephone:(212) 635-1019

If to any Lender: to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, by notice to the Administrative Agent and the Borrower). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Any party to a Loan Document may rely on signatures of the parties thereto which are transmitted by fax or other electronic means as fully as if originally signed.

11.3 No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Administrative Agent, any Lender or the Issuer, any right, remedy, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges under the Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties

All representations and warranties made in the Loan Documents and in any document, certificate or statement delivered pursuant thereto or in connection therewith shall survive the execution and delivery of the Loan Documents.

11.5 Payment of Expenses and Taxes; Indemnified Liabilities

The Borrower agrees, promptly upon presentation of a statement or invoice therefor setting forth in reasonable detail the items thereof, and whether any Loan is made or Letter of Credit is issued, (a) to pay or reimburse the Administrative Agent and its Affiliates for all its reasonable costs and expenses actually incurred in connection with the development, syndication, preparation and execution of, and any amendment, waiver, consent, supplement or modification to, the Loan Documents, any documents prepared in connection therewith and the consummation of the transactions contemplated thereby, whether such Loan Documents or any such amendment, waiver,

consent, supplement or modification to the Loan Documents or any documents prepared in connection therewith are executed and whether the transactions contemplated thereby are consummated, including the reasonable fees and disbursements of Special Counsel, (b) to pay, indemnify, and hold the Administrative Agent, the Lenders and the Issuer harmless from any and all recording and filing fees and any and all liabilities and penalties with respect to, or resulting from any delay (other than penalties to the extent attributable to the negligence of the Administrative Agent, the Lenders or the Issuer, as the case may be, in failing to pay such fees or other liabilities when due) in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, the Loan Documents and any such other documents, and (c) to pay, reimburse, indemnify and hold each Indemnified Person harmless from and against any and all other liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including reasonable counsel fees and disbursements of counsel (including the allocated costs of internal counsel) and such local counsel as may be required) actually incurred with respect to the enforcement, performance of, and preservation of rights under, the Loan Documents (all the foregoing, collectively, the “*Indemnified Liabilities*”) and, if and to the extent that the foregoing indemnity may be unenforceable for any reason, the Borrower agrees to make the maximum payment permitted under applicable law, *provided* that the Borrower shall have no obligation hereunder to pay Indemnified Liabilities to an Indemnified Person to the extent arising from its gross negligence or willful misconduct. The agreements in this Section shall survive the termination of the Commitments and the payment of the Loans and the Notes and all other amounts payable under the Loan Documents.

11.6 *Lending Offices*

Each Lender shall have the right at any time and from time to time to transfer any Loan to a different office of such Lender, subject to Section 3.10.

11.7 *Successors and Assigns*

(a) The provisions of the Loan Documents shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in the Loan Documents, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each Credit Party) any legal or equitable right, remedy or claim under or by reason of any Loan Document.

(b) Any Lender may assign all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment or obligations in respect of its Letter of Credit Exposure or Swing Line Exposure and the applicable Loans at the time owing to it), to an Eligible Assignee, *provided* that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Administrative Agent (and, in the case of

an assignment of all or any portion of its Commitment or obligations in respect of its Letter of Credit Exposure or Swing Line Exposure, the Issuing Bank and/or the Swing Line Lender, as the case may be) must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) except in the case of an assignment to a Lender or an Affiliate or an Approved Fund of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance Agreement with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000, unless the Borrower and the Administrative Agent otherwise consent (which consent shall not be unreasonably withheld or delayed) and shall be for a pro rata portion of such Lender's Commitment and such Lender's then outstanding Revolving Credit Loans, (iii) no assignments to the Borrower or any of its Affiliates shall be permitted (and any attempted assignment or transfer to the Borrower or any of its Affiliates shall be null and void), (iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance Agreement together with, unless otherwise agreed by the Administrative Agent, a processing and recordation fee of \$3,500, and (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, and *provided further* that any consent of the Borrower otherwise required under this subsection shall not be required if an Event of Default has occurred and is continuing. Subject to acceptance and recording thereof pursuant to subsection (d) of this Section, from and after the effective date specified in each Assignment and Acceptance Agreement, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance Agreement, have the rights and obligations of a Lender under the Loan Documents, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance Agreement, be released from its obligations under the Loan Documents (and, in the case of an Assignment and Acceptance Agreement covering all of the assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.5, 3.6, 3.7, 3.10 and 11.10). Except as otherwise provided under clause (iii) of this subsection, any assignment or transfer by a Lender of rights or obligations under the Loan Documents that does not comply with this subsection shall be treated for purposes of the Loan Documents as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Acceptance Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent clearly demonstrable error, and the Borrower and each Credit Party may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Credit Party, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance Agreement executed by an assigning Lender and an assignee, the assignee's completed

Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in subsection (b) of this Section and any written consent to such assignment required by subsection (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance Agreement and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this subsection.

(e) Any Lender may, without the consent of the Borrower or any Credit Party, sell participations to Eligible Assignees (each a “Participant”) in all or a portion of such Lender’s rights and obligations under the Loan Documents (including all or a portion of its Commitments, Letter of Credit Exposure, Swing Line Exposure and outstanding Loans owing to it), *provided* that (i) such Lender’s obligations under the Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower and the Credit Parties shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under the Loan Documents and (iv) no participations to the Borrower or any of its Affiliates shall be permitted (and any attempted participation to the Borrower or any of its Affiliates shall be null and void). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of any Loan Documents, *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso to Section 11.1 that affects such Participant. Subject to subsection (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.5, 3.6, 3.7 and 3.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.9(a) as though it were a Lender, *provided* that such Participant agrees to be subject to Section 11.9(b) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 3.6, 3.7 or 3.10 than the Lender that sold the participation to such Participant would have been entitled to receive with respect to the interest in the Loan Documents subject to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.10 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.10(b) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under the Loan Documents to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations under the Loan Documents or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a “*Granting Lender*”) may grant to an Eligible SPC the option to fund all or any part of any Loan that such Granting Lender would otherwise be obligated to fund pursuant to this Agreement, *provided* that (i) such designation shall not be effective unless the Borrower consents thereto (which consent shall not be unreasonably withheld), (ii) nothing herein shall constitute a commitment by any Eligible SPC to fund any Loan, and (iii) if an Eligible SPC elects not to exercise such option or otherwise fails to fund all or any part of such Loan, the Granting Lender shall be obligated to fund such Loan pursuant to the terms hereof. The funding of a Loan by an Eligible SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were funded by such Granting Lender. As to any Loans or portion thereof made by it, each Eligible SPC shall have all the rights that a Lender making such Loans or portion thereof would have had under this Agreement and otherwise, *provided* that (x) its voting rights under this Agreement shall be exercised solely by its Granting Lender and (y) its Granting Lender shall remain solely responsible to the other parties hereto for the performance of such Granting Lender’s obligations under this Agreement, including its obligations in respect of the Loans or portion thereof made by it. Each Granting Lender shall act as administrative agent for its Eligible SPC and give and receive notices and other communications on its behalf. Any payments for the account of any Eligible SPC shall be paid to its Granting Lender as administrative agent for such Eligible SPC and neither the Borrower nor the Administrative Agent shall be responsible for any Granting Lender’s application of such payments. Each party hereto hereby agrees that no Eligible SPC shall be liable for any indemnity or payment under this Agreement for which a Lender would otherwise be liable for so long as, and to the extent, the Granting Lender provides such indemnity or makes such payment. Notwithstanding anything to the contrary contained in this Agreement, any Eligible SPC may (i) at any time, subject to payment of the processing and recordation fee referred to in Section 11.7(b), assign all or a portion of its interests in any Loans to its Granting Lender (but nothing contained herein shall be construed in derogation of the obligation of the Granting Lender to make Loans hereunder) or to any financial institutions providing liquidity and/or credit support to or for the account of such Eligible SPC to support the funding or maintenance of Loans, and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancements to such Eligible SPC. This Section may not be amended without the prior written consent of each Granting Lender, all or any part of whose Loans is being funded by an Eligible SPC at the time of such amendment.

11.8 Counterparts

Each of the Loan Documents (other than the Notes) may be executed on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement. It shall not be necessary in making proof of any Loan Document to produce or account for more than one counterpart signed by the party to be charged. A set of the copies of this Agreement signed by all of the parties hereto shall be lodged with each of the Borrower and the Administrative Agent. Any party to a Loan Document may rely upon the signatures of any other party thereto which are transmitted by fax or other electronic means to the same extent as if originally signed.

11.9 Set-off and Sharing of Payments

(a) In addition to any rights and remedies of the Lenders and the Issuer provided by law, upon the occurrence of an Event of Default under Section 9.1(a) or (b) or upon the acceleration of the Loans, each Lender and the Issuer shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower, to set-off and apply against any indebtedness or other liability, whether matured or unmatured, of the Borrower to such Lender or the Issuer arising under the Loan Documents, any amount owing from such Lender or the Issuer to the Borrower. To the extent permitted by applicable law, the aforesaid right of set-off may be exercised by such Lender or the Issuer against the Borrower or against any trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of the Borrower, or against anyone else claiming through or against the Borrower or such trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receivers, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by such Lender or the Issuer prior to the making, filing or issuance of, service upon such Lender or the Issuer of, or notice to such Lender or the Issuer of, any petition, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena, order or warrant. Each Lender and the Issuer agree promptly to notify the Borrower and the Administrative Agent after each such set-off and application made by such Lender or the Issuer, *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

(b) If any Lender or the Issuer (each a “*Benefited Lender*”) shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of its Loans or its Notes or the Reimbursement Obligations in excess of its pro rata share (in accordance with the outstanding principal balance of all Loans or the Reimbursement Obligations) of payments then due and payable on account of the Loans and Notes received by all the Lenders or the Reimbursement Obligations, such Lender or the Issuer, as the case may be, shall forthwith purchase, without recourse, for cash, from the other Lenders such participations in their Loans and Notes or the Reimbursement Obligations as shall be necessary to cause such purchasing Lender or the Issuer to share the excess payment with each of them according to their pro rata share (in accordance with the outstanding principal balance of all Loans or the Reimbursement Obligations), *provided* that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender or the Issuer, such purchase from each Lender shall be rescinded and each such Lender shall repay to the purchasing Lender or the Issuer the purchase price to the extent of such recovery, together with an amount equal to such Lender’s pro rata share (according to the proportion of (i) the amount of such Lender’s required repayment to (ii) the total amount so recovered from the purchasing Lender or the Issuer) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees, to the fullest extent permitted by law, that any Lender or the Issuer so purchasing a participation from another Lender pursuant to this Section may exercise such rights to payment (including the right of set-off) with respect to such participation as fully as if such Lender or the Issuer were the direct creditor of the Borrower in the amount of such participation.

11.10 Indemnity

(a) The Borrower shall indemnify each Credit Party and each Related Party thereof (each such Person being called an “*Indemnified Person*”) against, and hold each Indemnified Person harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnified Person, incurred by or asserted against any Indemnified Person arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the transactions contemplated hereby or any other transactions contemplated thereby (including the Caremark Merger), (ii) any Loan or Letter of Credit or the use of the proceeds thereof, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of the Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnified Person is a party thereto, *provided* that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person. Notwithstanding the above, the Borrower shall have no liability under clause (i) of this Section to indemnify or hold harmless any Indemnified Person for any losses, claims, damages, liabilities and related expenses relating to income or withholding taxes or any tax in lieu of such taxes.

(b) To the extent that the Borrower fails to promptly pay any amount required to be paid by it to the Administrative Agent under subsection (a) of this Section, each Lender severally agrees to pay to the Administrative Agent an amount equal to the product of such unpaid amount *multiplied by* (i) at any time when no Loans are outstanding, its Commitment Percentage, or if no Commitments then exist, its Commitment Percentage on the last day on which Commitments did exist, and (ii) at any time when Loans are outstanding (x) if the Commitments then exist, its Commitment Percentage or (y) if the Commitments have been terminated or otherwise no longer exist, the percentage equal to the fraction, (A) the numerator of which is the sum of such Lender’s Credit Exposure and (B) the denominator of which is the sum of the Aggregate Credit Exposure (in each case determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent in its capacity as such.

(c) The obligations of the Borrower and the Lenders under this Section 11.10 shall survive the termination of the Commitments and the payment of the Loans and the Notes and all other amounts payable under the Loan Documents.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct and actual damages)

arising out of, in connection with, or as a result of, any Loan Document or any agreement, instrument or other document contemplated thereby, the transactions contemplated hereby or any Loan or any Letter of Credit or the use of the proceeds thereof.

11.11 *Governing Law*

The Loan Documents and the rights and obligations of the parties thereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

11.12 *Severability*

Every provision of the Loan Documents is intended to be severable, and if any term or provision thereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

11.13 *Integration*

All exhibits to the Loan Documents shall be deemed to be a part thereof. Each Loan Document embodies the entire agreement and understanding between or among the parties thereto with respect to the subject matter thereof and supersedes all prior agreements and understandings between or among the parties thereto with respect to the subject matter thereof.

11.14 *Treatment of Certain Information*

Each Lender, the Issuer and the Administrative Agent agrees to maintain as confidential and not to disclose, publish or disseminate to any third parties any financial or other information relating to the business, operations and condition, financial or otherwise, of the Borrower provided to it, except if and to the extent that:

- (a) such information is in the public domain at the time of disclosure;
- (b) such information is required to be disclosed by subpoena or similar process or applicable law or regulations;
- (c) such information is required or requested to be disclosed to any regulatory or administrative body or commission to whose jurisdiction it may be subject;
- (d) such information is disclosed to its counsel, auditors or other professional advisors;
- (e) such information is disclosed to (and, unless and until it receives written objection from the Borrower, the Borrower shall be deemed to have consented to disclosure of such information to) its affiliates (and its affiliates' officers, directors and employees), *provided* that such information shall be used in connection with this Agreement and the transactions contemplated hereby;

(f) such information is disclosed to its officers, directors and employees;

(g) such information is disclosed with the prior written consent of the party furnishing the information;

(h) such information is disclosed in connection with any litigation or dispute involving the Borrower and/or it;

(i) such information is disclosed in connection with the sale of a participation or other disposition by it of any of its interest in this Agreement, *provided* that such information shall not be disclosed unless and until the party to whom it shall be disclosed shall have agreed to keep such information confidential as set forth herein;

(j) such information was in its possession or in its affiliate's possession as shown by clear and convincing evidence prior to any of the Borrower and/or any of the Borrower's representatives or agents furnishing such information to it; or

(k) such information is received by it, without restriction as to its disclosure or use, from a Person who, to its knowledge or reasonable belief, was not prohibited from disclosing such information by any duty of confidentiality.

Except to the extent prohibited or restricted by law or Governmental Authority, each Lender shall notify the Borrower promptly of any disclosures of information made by it as permitted pursuant to (h) above.

11.15 *Acknowledgments*

The Borrower acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of the Loan Documents, (b) by virtue of the Loan Documents, none of the Administrative Agent, the Issuer, or any Lender has any fiduciary relationship to the Borrower, and the relationship between the Administrative Agent, the Issuer, and the Lenders, on the one hand, and the Borrower, on the other hand, is solely that of debtor and creditor, and (c) by virtue of the Loan Documents, no joint venture exists among the Lenders or among the Borrower and the Lenders.

11.16 *Consent to Jurisdiction*

The Borrower irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal Court sitting in the City of New York over any suit, action or proceeding arising out of or relating to the Loan Documents. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Borrower agrees that a final judgment in any such suit, action or proceeding brought in such a court, after all appropriate appeals, shall be conclusive and binding upon it.

11.17 *Service of Process*

The Borrower agrees that process may be served against it in any suit, action or proceeding referred to in Section 11.16 by sending the same by first class mail, return receipt requested or by overnight courier service, with receipt acknowledged, to the address of the Borrower set forth in Section 11.2. The Borrower agrees that any such service (i) shall be deemed in every respect effective service of process upon it in any such suit, action, or proceeding, and (ii) shall to the fullest extent enforceable by law, be taken and held to be valid personal service upon and personal delivery to it.

11.18 *No Limitation on Service or Suit*

Nothing in the Loan Documents or any modification, waiver, or amendment thereto shall affect the right of the Administrative Agent, the Issuer or any Lender to serve process in any manner permitted by law or limit the right of the Administrative Agent, the Issuer or any Lender to bring proceedings against the Borrower in the courts of any jurisdiction or jurisdictions.

11.19 *WAIVER OF TRIAL BY JURY*

THE ADMINISTRATIVE AGENT, THE ISSUER, THE LENDERS AND THE BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY. FURTHER, THE BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ADMINISTRATIVE AGENT, THE ISSUER, OR THE LENDERS, OR COUNSEL TO THE ADMINISTRATIVE AGENT, THE ISSUER, OR THE LENDERS, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT, THE ISSUER, OR THE LENDERS WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. THE BORROWER ACKNOWLEDGES THAT THE ADMINISTRATIVE AGENT, THE ISSUER, AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, *INTER ALIA*, THE PROVISIONS OF THIS SECTION.

11.20 *Effective Date*

This Agreement shall be effective at such time (the "*Effective Date*") as the Administrative Agent shall have received executed counterparts hereof by the Borrower, the Administrative Agent, the Issuer, and each Lender and the conditions set forth in Sections 5.1 through 5.3 have been or simultaneously will be satisfied, *provided* that this Agreement shall not become effective or be binding on any party hereto unless all of such conditions are satisfied not later than April 30, 2007.

11.21 *Patriot Act Notice*

Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT

Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001), as amended from time to time) (the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act.

AS EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this Five Year Credit Agreement to be executed on its behalf.

CVS CORPORATION

By: /s/ Carole A. DeNale

Name: Carol A. DeNale

Title: Vice President and Treasurer

THE BANK OF NEW YORK, in its capacity as a Lender and in its
capacity as the Administrative Agent

By: /s/ Erin Morrissey

Name: Erin Morrissey

Title: Assistant Vice President

BANK OF AMERICA, N.A.

By: /s/ John Pocalyko

Name: John Pocalyko

Title: Senior Vice President

LEHMAN COMMERCIAL PAPER INC., in its capacity as a
Co-Syndication Agent

By: /s/ Janine M. Shugan

Name: Janine M. Shugan

Title: Authorized Signatory

LEHMAN BROTHERS BANK, FSB, in its capacity as a Lender

By: /s/ Gary T. Taylor

Name: Gary T. Taylor

Title: Senior Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION,
in its capacity as a Lender and in its capacity as a Co-Syndication
Agent

By: /s/ Denis Waltrich

Name: Denis Waltrich

Title: Vice President

MORGAN STANLEY SENIOR FUNDING, INC.,
in its capacity as Documentation Agent

By: /s/ Daniel Twenge

Name: Daniel Twenge

Title: Vice President

MORGAN STANLEY BANK, in its capacity as a Lender

By: /s/ Dawn M. Dawson

Name: Dawn M. Dawson

Title: Authorized Signatory

ABN AMRO BANK N.V.

By: /s/ Tracie Elliot

Name: Tracie Elliot

Title: Director

By: /s/ Wendy Devenish

Name: Wendy Devenish

Title: First Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Marianne T. Meil

Name: Marianne T. Meil

Title: Senior Vice President

SUNTRUST BANK

By: /s/ Richard C. Wilson

Name: Richard C. Wilson

Title: Managing Director

MIZUHO CORPORATE BANK, LTD.

By: /s/ Bertram H. Tang

Name: Bertram H. Tang

Title: Senior Vice President & Team Leader

BRANCH BANKING AND TRUST COMPANY

By: /s/ Roberts A. Bass

Name: Roberts A. Bass

Title: Senior Vice President

BANK OF CHINA, NEW YORK BRANCH

By: /s/ Xiaojing Li _____

Name: Xiaojing Li
Title: General Manager

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: /s/ Megan Donnelly

Name: Megan Donnelly

Title: Vice President

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Shigeru Tsuru

Name: Shigeru Tsuru

Title: Joint General Manager

US BANK, NATIONAL ASSOCIATION

By: /s/ Patrick H. McGraw, Jr.

Name: Patrick H. McGraw, Jr.

Title: Vice President

FIFTH THIRD BANK

By: /s/ Brooke Balcom

Name: Brooke Balcom

Title: Assistant Vice President

CHANG HWA COMMERCIAL BANK LTD.,
LOS ANGELES BRANCH

By: /s/ Wen-Che Chen

Name: Wen-Che Chen

Title: VP & General Manager

SOVEREIGN BANK

By: /s/ Robert F. Camara

Name: Robert F. Camara

Title: Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Tawny J. Palovchik

Name: Tawny J. Palovchik

Title: Investment Banking Officer

REGIONS BANK

By: /s/ Berkin Istanbuluoglu

Name: Berkin Istanbuluoglu
Title: Assistant Vice President

LAND BANK OF TAIWAN

By: /s/ Chien-ching Li

Name: Chien-ching Li

Title: Deputy General Manager, LA Branch

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Michael Richards

Name: Michael Richards

Title: Senior Vice President

THE NORTHERN TRUST COMPANY

By: /s/ Anu Agarwal

Name: Anu Agarwal

Title: 2nd Vice President

NATIONAL CITY BANK

By: /s/ Amanda M. Sigg

Name: Amanda M. Sigg

Title: Relationship Manager

HSBC BANK USA

By: /s/ Martin J. Haythorne

Name: Martin J. Haythorne

Title: Managing Director

EXHIBIT A

2007 FIVE YEAR CREDIT AGREEMENT**EXHIBIT A****LIST OF COMMITMENTS**

Lender	Commitment Amount
The Bank of New York	\$ 110,000,000
Bank of America, N.A.	\$ 110,000,000
Lehman Brothers Bank, FSB	\$ 110,000,000
Morgan Stanley Bank	\$ 110,000,000
Wachovia Bank, National Association	\$ 110,000,000
ABN AMRO Bank N.V.	\$ 55,000,000
KeyBank National Association	\$ 55,000,000
SunTrust Bank	\$ 55,000,000
Branch Banking and Trust Company	\$ 45,000,000
HSBC Bank USA	\$ 45,000,000
Mizuho Corporate Bank, Ltd.	\$ 45,000,000
Sumitomo Mitsui Banking Corp., New York	\$ 45,000,000
US Bank, National Association	\$ 45,000,000
Wells Fargo Bank, National Association	\$ 45,000,000
Bank of China	\$ 40,000,000
Sovereign Bank	\$ 40,000,000
Land Bank of Taiwan	\$ 30,000,000
Chang Hwa Commercial Bank Ltd.	\$ 25,000,000
Fifth Third Bank	\$ 25,000,000
National City Bank	\$ 25,000,000
PNC Bank, National Association	\$ 25,000,000
Regions Bank	\$ 25,000,000
The Northern Trust Company	\$ 15,000,000
Union Bank of California, N.A.	\$ 15,000,000
TOTAL	\$ 1,250,000,000

2007 FIVE YEAR CREDIT AGREEMENTEXHIBIT BFORM OF NOTE

[____], 2007
New York, New York

FOR VALUE RECEIVED, the undersigned, CVS CORPORATION, a Delaware corporation (the “Borrower”), hereby promises to pay to the order of _____ (the “Lender”) the outstanding principal balance of the Lender’s Loans, together with interest thereon, at the rate or rates, in the amounts and at the time or times set forth in the Five Year Credit Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), dated as of March 12, 2007, by and among the Borrower, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as administrative agent (in such capacity, the “Administrative Agent”), in each case at the office of the Administrative Agent located at One Wall Street, New York, New York, or at such other place as the Administrative Agent may specify from time to time, in lawful money of the United States of America in immediately available funds.

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

The Loans evidenced by this Note are prepayable in the amounts, and on the dates, set forth in the Credit Agreement. This Note is one of the Notes under the Credit Agreement, and is subject to, and shall be construed in accordance with, the provisions thereof, and is entitled to the benefits set forth in the Loan Documents.

The Lender is hereby authorized to record on the schedule annexed hereto, and any continuation sheets which the Lender may attach thereto (a) the date and amount of each Revolving Credit Loan, Competitive Bid Loan and Swing Line Loan made by the Lender, (b) the Interest Period for each Revolving Credit Loan (Eurodollar Advance only), Competitive Bid Loan and Swing Line Loan made by the Lender, (c) the Type of each Revolving Credit Loan made by the Lender as one or more ABR Advances, one or more Eurodollar Advances, or a combination thereof, (d) the Eurodollar Rate applicable to each Revolving Credit Loan (Eurodollar Advance only), the Competitive Bid Rate applicable to each Competitive Bid Loan and the Negotiated Rate applicable to each Swing Line Loan made by the Lender and (e) the date and amount of each Conversion of each Revolving Credit Loan made by the Lender, and each payment or prepayment of principal of, each Loan made by the Lender. The failure to so record or any error in so recording shall not affect the

obligation of the Borrower to repay the Loans, together with interest thereon, as provided in the Credit Agreement.

Except as specifically otherwise provided in the Credit Agreement, the Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other demands, protests and notices in connection with the execution, delivery, performance, collection and enforcement of this Note.

This Note is being delivered in, is intended to be performed in, shall be construed and interpreted in accordance with, and be governed by the laws of, the State of New York.

This Note may only be amended by an instrument in writing executed pursuant to the provisions of Section 11.1 of the Credit Agreement.

CVS CORPORATION

By:

Name:

Title:

CVS CORPORATION

5 YEAR CREDIT AGREEMENT

SCHEDULE TO NOTE

Date of Loan	Type and Amount of Loan	Interest Period (If other than an ABR Advance)	Type of Revolving Credit Loan (ABR or Eurodollar)	Interest Rate (If other than an ABR Advance)	Date and Amount of Conversion of Revolving Credit Loan	Date and Amount of Principal Payment or Prepayment	Notation Made by

2007 FIVE YEAR CREDIT AGREEMENTEXHIBIT CFORM OF BORROWING REQUEST

[Date]

The Bank of New York, as Administrative Agent
 One Wall Street
 New York, New York 10286
 Attention: _____,

Five Year Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.3 of the Credit Agreement, the Borrower hereby gives notice of its intention to borrow Revolving Credit Loans in the aggregate sum of \$ _____ on _____, and/or a Swing Line Loan in the sum of \$ _____ on _____, which borrowing shall consist of the following:

Revolving Credit Loans (ABR Advance or Eurodollar Advance) or Swing Line Loan	<u>Amount</u>	Interest Period (Other than ABR)
---	---------------	-------------------------------------

The Borrower hereby certifies that on the Borrowing Date set forth above, and after giving effect to the Loans requested hereby:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

IN EVIDENCE of the foregoing, the undersigned has caused this Borrowing Request to be duly executed on its behalf.

CVS CORPORATION

By:

Name:

Title:

2007 FIVE YEAR CREDIT AGREEMENT
EXHIBIT D-1
FORM OF OPINION OF COUNSEL TO THE BORROWER

[Date]

The Lenders, the Co-Syndication Agents,
the Documentation Agent and
the Administrative Agent Referred to Below
c/o The Bank of New York,
as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

I am general counsel of CVS Corporation, a Delaware corporation (the "Borrower"), and have acted as such in connection with the Five Year Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as Co-Syndication Agents, Morgan Stanley Senior Funding, Inc., as Documentation Agent, and The Bank of New York, as Administrative Agent (the "Five Year Credit Agreement"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Five Year Credit Agreement.

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 and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion. In rendering my opinions set forth below, I have assumed (i) the due authorization, execution and delivery by all parties thereto (other than the Borrower) of the Five Year Credit Agreement, (ii) the authenticity of all documents submitted to me as originals and (iii) the conformity to original documents of all documents submitted to me as copies.

Based upon the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Borrower has all requisite corporate power and authority to own its Property and to carry on its business as now conducted.

2. The Borrower is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it owns or leases real Property or in which the nature of its business requires it to be so qualified (except those jurisdictions where the failure to be so

qualified or to be in good standing could not reasonably be expected to have a Material Adverse effect).

3. The execution, delivery and performance by the Borrower of the Five Year Credit Agreement and the Notes are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action on the part of the Borrower.

4. The execution, delivery and performance by the Borrower of the Five Year Credit Agreement and Notes do not require any action or approval on the part of the shareholders of the Borrower or any action by or in respect of, or filing with, any governmental body, agency or official under United States federal law or the Delaware General Corporation Law, and do not contravene, or constitute a default under, any provision of (i) United States federal law or the Delaware General Corporation Law, (ii) the Certificate of Incorporation or bylaws of the Borrower or (iii) any existing material mortgage, material indenture, material contract or material agreement, in each case binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary.

5. The Five Year Credit Agreement and the Notes delivered by the Borrower on or prior to the date hereof have been duly executed and delivered by the Borrower and each constitutes the valid and binding agreement of the Borrower, in each case enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect affecting the enforcement of creditors' rights generally and to general principles of equity.

6. The Borrower is not an "investment company" (as such term is defined in the United States Investment Company Act of 1940, as amended).

7. To the best of my knowledge, as at February 2, 2007, there were no actions, suits, arbitration proceedings or claims (whether purportedly on behalf of the Borrower, any Subsidiary or otherwise) pending or threatened against the Borrower or any Subsidiary or any of their respective Properties, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse effect. To the best of my knowledge, there are no proceedings pending or threatened against the Borrower or any Subsidiary (a) which call into question the validity or enforceability of, or otherwise seek to invalidate, any Loan Document or (b) which could reasonably be expected to, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document (it being understood that the Caremark Merger is not a transaction contemplated by any Loan Document for purposes of this clause (b)).

8. To the best of my knowledge, the Borrower is not in default under any agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse effect.

9. To the best of my knowledge, no provision of any judgment, decree or order, in each case binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary conflicts with, or requires any consent which has not already been obtained under,

or would in any way prevent the execution, delivery or performance by the Borrower of the terms of, any Loan Document.

The foregoing opinion is subject to the following qualifications:

(a) I express no opinion as to the effect (if any) of any law of any jurisdiction (except the Commonwealth of Massachusetts) in which any Lender is located which may limit the rate of interest that such Lender may charge or collect.

(b) I express no opinion as to provisions in the Five Year Credit Agreement which purport to create rights of set-off in favor of participants or which provide for set-off to be made otherwise than in accordance with applicable laws.

(c) I note that public policy considerations or court decisions may limit the rights of any party to obtain indemnification under the Five Year Credit Agreement.

I am a member of the bar of the Commonwealth of Massachusetts and the foregoing opinion is limited to the laws of the Commonwealth of Massachusetts, the federal law of the United States of America and the Delaware General Corporation Law. For purposes of paragraph 5 of this opinion, I have assumed that, with your permission and without any research or investigation, the laws of the State of New York are identical to the law of the Commonwealth of Massachusetts.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without my prior written consent, except that any person that becomes a Lender in accordance with the provisions of the Five Year Credit Agreement may rely upon this opinion as if it were specifically addressed and delivered to such person on the date hereof.

Very truly yours,

2007 FIVE YEAR CREDIT AGREEMENT

EXHIBIT D-2

FORM OF OPINION OF SPECIAL COUNSEL TO THE BORROWER

[Date]

The Co-Syndication Agents,
the Documentation Agent,
the Administrative Agent
and the lenders party
to the Five Year Credit Agreement referred to below
c/o The Bank of New York,
as Administrative Agent

Re: CVS Corporation

Ladies and Gentlemen:

We have acted as special New York counsel to CVS Corporation, a Delaware corporation (the “**Company**”), in connection with the Five Year Credit Agreement dated as of March 12, 2007 among the Company, the lenders listed on the signature pages thereof (the “**Lenders**”), Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as Co-Syndication Agents, Morgan Stanley Senior Funding, Inc., as Documentation Agent, and The Bank of New York, as Administrative Agent (in such capacity, the “**Administrative Agent**”) (as in effect on the date hereof, the “**Five Year Credit Agreement**”). Capitalized terms defined in the Five Year Credit Agreement and not otherwise defined herein are used herein as therein defined.

We have reviewed an executed copy of the Five Year Credit Agreement. In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments, and have conducted such other investigations of fact and law, as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that (i) the Five Year Credit Agreement constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, and (ii) the execution, delivery and performance by the Company of the Five Year Credit Agreement (x) require no consent or other action by or in respect of, or filing with, any governmental body, agency or official under New York State law, and (y) do not contravene, or

constitute a default under, any provision of New York State law or regulation that in our experience is normally applicable to general business corporations in relation to transactions of the type contemplated by the Five Year Credit Agreement.

The foregoing opinions are subject to the following qualifications and assumptions:

(a) Our opinions are subject to the effects of applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability, and the enforceability of indemnification provisions may be limited by Federal or State laws or policies underlying such laws.

(b) We express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located that may limit the rate of interest that such Lender may charge or collect.

(c) We express no opinion as to the effect of Section 548 of the United States Bankruptcy Code or any similar provisions of State law.

(d) We have assumed, with your permission and without independent investigation, that (i) the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, (ii) the execution, delivery and performance by the Company of the Five Year Credit Agreement are within its corporate powers and have been duly authorized by all necessary corporate and other action, and (iii) the execution, delivery and performance by the Company of the Five Year Credit Agreement (x) require no consent or other action by or in respect of, or filing with, any governmental body, agency or official under United States federal law or the Delaware General Corporation Law and (y) do not contravene, or constitute a default under, any provision of (a) United States federal law or regulation or the Delaware General Corporation Law, or (b) the certificate of incorporation or bylaws of the Company.

We are members of the bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person (other than an assignee permitted under Section 11.7 of the Five Year Credit Agreement) without our prior written consent.

Very truly yours,

2007 FIVE YEAR CREDIT AGREEMENTEXHIBIT EFORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

Reference is made to the Five Year Credit Agreement, dated as of March 12, 2007 (as amended and in effect on the date hereof, the “Credit Agreement”), by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative Agent. Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

The Assignor named below hereby sells and assigns, without recourse, to the Assignee named below, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Assignment Date (defined below), the interests set forth below in the Assignor’s rights and obligations under the Credit Agreement, including, without limitation, the interests set forth below in the Commitment and the Revolving Credit Loans and Competitive Bid Loans owing to the Assignor that are outstanding on the Assignment Date, together with, in the case of such Commitment, all of the related participations held by the Assignor in respect of the Letters of Credit (including its LC Exposure) and Swingline Loans (including its Swingline Exposure), but excluding accrued interest and fees to and excluding the Assignment Date (collectively, the “Assigned Interest”). The Assignee hereby acknowledges receipt of a copy of the Credit Agreement. From and after the Assignment Date, (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the Assigned Interest, have the rights and obligations of a Lender under the Loan Documents and (ii) the Assignor shall, to the extent of the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Documents.

This Assignment and Acceptance is being delivered to the Administrative Agent, together with (i) if the Assignee is a Foreign Lender, any documentation required to be delivered by the Assignee pursuant to Section 3.10(b) of the Credit Agreement, duly completed and executed by the Assignee, and (ii) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire in the form supplied by the Administrative Agent, duly completed by the Assignee. The **[Assignee/Assignor]**¹ shall pay the fee payable to the Administrative Agent pursuant to Section 11.7(b) of the Credit Agreement.

THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

¹ Delete inapplicable term.

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of
Assignment (the "Assignment Date"):

Commitment Assigned:

Principal Amount of Revolving Credit Loans Assigned:

Principal Amount of each Competitive Bid Loan Assigned:

[SIGNATURE PAGE FOLLOWS]

The terms set forth above are hereby agreed to:

[Name of Assignor], as Assignor

By:

Name:

Title:

[Name of Assignee], as Assignee

By:

Name:

Title:

The undersigned hereby consent to the within assignment:

CVS CORPORATION

By:

Name:

Title:

THE BANK OF NEW YORK,
as Administrative Agent

By:

Name:

Title:

2007 FIVE YEAR CREDIT AGREEMENTEXHIBIT FFORM OF COMPETITIVE BID REQUEST

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: _____,

Re: Five Year Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.4 of the Credit Agreement, the Borrower hereby gives notice of its request to borrow Competitive Bid Loans in the aggregate sum of \$ _____ on _____, which borrowing shall consist of the following:

<u>Amount</u>	<u>Competitive Interest Period</u>
---------------	--

The Borrower hereby certifies that on the Borrowing Date set forth above, and after giving effect to the Competitive Bid Loans requested hereby:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

IN EVIDENCE of the foregoing, the undersigned has caused this Competitive Bid Request to be duly executed on its behalf.

CVS CORPORATION

By:

Name:

Title:

2007 FIVE YEAR CREDIT AGREEMENT

EXHIBIT G

FORM OF INVITATION TO BID

[Date]

To the Lenders party
from time to time to the
captioned Credit Agreement

Five Year Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-
Re: syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative
Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit
Agreement.

Pursuant to a Competitive Bid Request, the Borrower gave notice of its request to borrow Competitive Bid Loans in the aggregate sum of
\$ _____ on _____, which borrowing would consist of the following:

<u>Amount</u>	<u>Competitive Interest Period</u>
---------------	--

The Lenders are hereby invited to bid, pursuant to the terms and conditions of the Credit Agreement, on such requested Competitive Bid
Loans.

THE BANK OF NEW YORK,
as Administrative Agent

By: _____
Name:
Title:

2007 FIVE YEAR CREDIT AGREEMENTEXHIBIT HFORM OF COMPETITIVE BID

[Date]

The Bank of New York, as Administrative Agent
 One Wall Street
 New York, New York 10286
 Attention: _____,

Five Year Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

In response to a Competitive Bid Request, the undersigned Lender hereby offers to make Competitive Bid Loan(s) in the aggregate sum of \$ _____ on _____, which borrowing would consist of the following:

<u>Amount</u>	Competitive Interest <u>Period</u>	Competitive <u>Bid Rate</u> [fixed rate]
---------------	--	--

[LENDER]

By:

Name:

Title:

2007 FIVE YEAR CREDIT AGREEMENT

EXHIBIT I

FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention:

Re: Five Year Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.4(d) of the Credit Agreement, the Borrower hereby gives notice of its acceptance of the following Competitive Bids:

and its rejection of all other Competitive Bids, in each case made pursuant to the Competitive Bid Request, dated _____.

IN EVIDENCE of the foregoing, the undersigned has caused this Competitive Bid Accept/Reject Letter to be duly executed on its behalf.

CVS CORPORATION

By:

Name:

Title:

2007 FIVE YEAR CREDIT AGREEMENT

EXHIBIT J

FORM OF LETTER OF CREDIT REQUEST

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention:

_____,

Re: Five Year Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, the documentation agent named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.8(b) of the Credit Agreement, the Borrower hereby gives notice of its request for the issuance by the Issuer of a Letter of Credit for the account of the Borrower and for the benefit of _____ on _____ in connection with _____ in the maximum amount of \$ _____. A drawing may be made under such Letter of Credit under the following conditions: _____.

The Borrower hereby certifies that on the above requested date of issuance of such Letter of Credit, and after giving effect to the issuance of such Letter of Credit:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

IN EVIDENCE of the foregoing, the undersigned has caused this Letter of Credit Request to be duly executed on its behalf.

CVS CORPORATION

By:

Name:

Title:

364 DAY CREDIT AGREEMENT

by and among

CVS CORPORATION,

THE LENDERS PARTY HERETO,

LEHMAN COMMERCIAL PAPER INC. and
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents,

and

THE BANK OF NEW YORK,
as Administrative Agent

Dated as of March 12, 2007

BNY CAPITAL MARKETS, INC. and BANC OF AMERICA SECURITIES LLC
as Co-Lead Arrangers and Joint Bookrunners

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EXHIBITS

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364 DAY CREDIT AGREEMENT, dated as of March 12, 2007, by and among **CVS CORPORATION**, a Delaware corporation (the “**Borrower**”), the Lenders party hereto from time to time (each a “**Lender**” and, collectively, the “**Lenders**”), **LEHMAN COMMERCIAL PAPER INC.** and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as co-syndication agents (in such capacity, each a “**Co-Syndication Agent**”), and **THE BANK OF NEW YORK (“BNY”)**, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”).

1. **DEFINITIONS AND PRINCIPLES OF CONSTRUCTION**

1.1 Definitions

When used in any Loan Document (as defined below), each of the following terms shall have the meaning ascribed thereto unless the context otherwise specifically requires:

“**ABR Advances**”: the Revolving Credit Loans (or any portions thereof) at such time as they (or such portions) are made or are being maintained at a rate of interest based upon the Alternate Base Rate.

“**Accumulated Funding Deficiency**”: as defined in Section 302 of ERISA.

“**Acquisition**”: with respect to any Person, the purchase or other acquisition by such Person, by any means whatsoever (including by devise, bequest, gift, through a dividend or otherwise), of (a) stock of, or other equity securities of, any other Person if, immediately thereafter, such other Person would be either a consolidated subsidiary of such Person or otherwise under the control of such Person, (b) any business, going concern or division or segment thereof, or (c) the Property of any other Person other than in the ordinary course of business, *provided* that (i) no acquisition of substantially all of the assets, or any division or segment, of such other Person shall be deemed to be in the ordinary course of business and (ii) no redemption, retirement, purchase or acquisition by any Person of the stock or other equity securities of such Person shall be deemed to constitute an Acquisition.

“**Administrative Agent**”: as defined in the preamble.

“**Administrative Questionnaire**”: an Administrative Questionnaire in a form supplied by the Administrative Agent.

“**Affected Advance**”: as defined in Section 3.8(b).

“**Affiliate**”: with respect to any Person at any time and from time to time, any other Person (other than a wholly-owned subsidiary of such Person) which, at such time (a) controls such Person, (b) is controlled by such Person or (c) is under common control with such Person. The term “control”, as used in this definition with respect to any Person, means the power, whether direct or indirect through one or more intermediaries, to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise.

“Aggregate Commitment Amount”: at any time, the sum of the Commitment Amounts of the Lenders at such time under this Agreement.

“Aggregate Credit Exposure”: at any time, the sum at such time of (a) the aggregate Committed Credit Exposure of the Lenders at such time under this Agreement and (b) the aggregate outstanding principal balance of all Competitive Bid Loans at such time under this Agreement.

“Agreement”: this Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Alternate Base Rate”: for any day, a rate per annum equal to the greater of (a) the BNY Rate in effect on such day, or (b) 0.50% plus the Federal Funds Effective Rate (rounded, if necessary, to the nearest 1/100th of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) in effect on such day.

“Applicable Margin”: (i) with respect to the unpaid principal balance of ABR Advances, the applicable percentage set forth below in the column entitled “ABR Advances”, (ii) with respect to the unpaid principal balance of Eurodollar Advances, the applicable percentage set forth below in the column entitled “Eurodollar Advances”, (iii) with respect to the Facility Fee, the applicable percentage set forth below in the column entitled “Facility Fee”, (iv) with respect to the Letter of Credit Participation Fee, the applicable percentage set forth below in the column entitled “Participation Fee”, and (v) with respect to the Utilization Fee, the applicable percentage set forth below in the column entitled “Utilization Fee”, in each case opposite the applicable Pricing Level:

Pricing Level	ABR Advances	Eurodollar Advances	Facility Fee	Participation Fee	Utilization Fee
Pricing Level I	0%	0.170%	0.030%	0.170%	0.050%
Pricing Level II	0%	0.210%	0.040%	0.210%	0.050%
Pricing Level III	0%	0.250%	0.050%	0.250%	0.050%
Pricing Level IV	0%	0.290%	0.060%	0.290%	0.100%
Pricing Level V	0%	0.320%	0.080%	0.320%	0.100%
Pricing Level VI	0%	0.445%	0.105%	0.445%	0.100%
Pricing Level VII	0%	0.725%	0.150%	0.725%	0.100%

Decreases in the Applicable Margin resulting from a change in Pricing Level shall become effective upon the delivery by the Borrower to the Administrative Agent of a notice pursuant to Section 7.7(d). Increases in the Applicable Margin resulting from a change in Pricing Level shall become effective on the effective date of any downgrade or withdrawal in the rating by Moody's or S&P of the senior unsecured long term debt rating of the Borrower.

"Approved Fund": with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Assignment and Acceptance Agreement": an assignment and acceptance agreement executed by an assignor and an assignee pursuant to which, subject to the terms and conditions hereof and thereof, the assignor assigns to the assignee all or any portion of such assignor's Loans, Notes and Commitment, substantially in the form of Exhibit E.

"Benefited Lender": as defined in Section 11.9(b).

"BNY": as defined in the preamble.

"BNY Rate": a rate of interest per annum equal to the rate of interest publicly announced in New York City by BNY from time to time as its prime commercial lending rate, such rate to be adjusted automatically (without notice) on the effective date of any change in such publicly announced rate.

"Borrower": as defined in the preamble.

"Borrowing Date": (i) in respect of Revolving Credit Loans, any Domestic Business Day or Eurodollar Business Day, as the case may be, on which the Lenders shall make Revolving Credit Loans pursuant to a Borrowing Request or pursuant to a Mandatory Borrowing, (ii) in respect of Competitive Bid Loans, any Domestic Business Day on which a Lender shall make a Competitive Bid Loan pursuant to a Competitive Bid Request, (iii) in respect of Swing Line Loans, any Domestic Business Day on which the Swing Line Lender shall make a Swing Line Loan pursuant to a Borrowing Request and (iv) in respect of Letters of Credit, any Domestic Business Day on which the Issuer shall issue a Letter of Credit pursuant to a Letter of Credit Request.

"Borrowing Request": a request for Revolving Credit Loans or Swing Line Loans in the form of Exhibit C.

"Caremark": Caremark Rx, Inc., a Delaware corporation.

"Caremark Merger": the merger of Caremark with and into Twain MergerSub Corp., with Twain MergerSub Corp. continuing as the surviving company and a wholly owned subsidiary of the Borrower, pursuant to the Caremark Merger Agreement.

"Caremark Merger Agreement": the Agreement and Plan of Merger, dated as of November 1, 2006, among the Borrower, Caremark and Twain MergerSub Corp., as amended as of January

16, 2007 (and as further amended, supplemented or otherwise modified from time to time in accordance with Section 8.10).

“Caremark Merger Anticipatory Commercial Paper”: commercial paper issued by the Borrower under the Commercial Paper Increase prior to and in anticipation of the closing of the Caremark Merger to finance in part the consideration paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid to the Caremark shareholders, *provided* that (a) such commercial paper shall mature no later than 60 days following the initial issuance thereof and (b) if the Caremark Merger has not been consummated prior to such maturity, the Borrower shall not have rolled over such commercial paper.

“Caremark Merger Effective Date”: the date on which the Caremark Merger shall have become effective pursuant to the Caremark Merger Agreement.

“Change of Control”: any of the following:

(i) any Person or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), (a) shall have or acquire beneficial ownership of securities having 30% or more of the ordinary voting power of the Borrower or (b) shall possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the Borrower, whether through the ownership of voting securities, by contract or otherwise; or

(ii) the Continuing Directors shall cease for any reason to constitute a majority of the board of directors of the Borrower then in office.

“Commercial Paper Increase”: the increase, to the extent in excess of \$4.0 billion, in the Borrower’s commercial paper program for the purpose, among other things, of providing for the short term financing of the Caremark Merger.

“Commitment”: in respect of any Lender, such Lender’s undertaking to make Revolving Credit Loans, subject to the terms and conditions hereof, in an aggregate outstanding principal amount not to exceed the Commitment Amount of such Lender.

“Commitment Amount”: at any time and with respect to any Lender, the amount set forth adjacent to such Lender’s name under the heading “Commitment Amount” in Exhibit A at such time or, in the event that such Lender is not listed on Exhibit A, the “Commitment Amount” which such Lender shall have assumed from another Lender in accordance with Section 11.7 on or prior to such time, as the same may be adjusted from time to time pursuant to Sections 2.6 and 11.7(c).

“Commitment Percentage”: at any time and with respect to any Lender, a fraction the numerator of which is such Lender’s Commitment Amount at such time, and the denominator of which is the Aggregate Commitment Amount at such time.

“Commitment Period”: the period commencing on the Effective Date and ending on the Commitment Termination Date, or on such earlier date as all of the Commitments shall have been terminated in accordance with the terms hereof.

“Commitment Termination Date”: the earliest of (i) November 1, 2007, in the event that the Caremark Merger Effective Date has not occurred on or before November 1, 2007, (ii) March 10, 2008 and (iii) the date on which the Loans shall become due and payable, whether by acceleration, notice of intention to prepay or otherwise.

“Committed Credit Exposure”: with respect to any Lender at any time, the sum at such time of (a) the outstanding principal balance of such Lender’s Revolving Credit Loans, (b) the Swing Line Exposure of such Lender and (c) the Letter of Credit Exposure of such Lender.

“Compensatory Interest Payment”: as defined in Section 3.4(c).

“Competitive Bid”: an offer by a Lender, in the form of Exhibit H, to make one or more Competitive Bid Loans.

“Competitive Bid Accept/Reject Letter”: a notification made by the Borrower pursuant to Section 2.4(d) in the form of Exhibit I.

“Competitive Bid Loan”: as defined in Section 2.4(a).

“Competitive Bid Rate”: as to any Competitive Bid made by a Lender pursuant to Section 2.4(b), the fixed rate of interest (which shall be expressed in the form of a decimal to no more than four decimal places) offered by such Lender and accepted by the Borrower.

“Competitive Bid Request”: a request by the Borrower, in the form of Exhibit F, for Competitive Bids.

“Competitive Interest Period”: as to any Competitive Bid Loan, the period commencing on the date of such Competitive Bid Loan and ending on the date requested in the Competitive Bid Request with respect thereto, which shall not be earlier than 3 days after the date of such Competitive Bid Loan or later than 180 days after the date of such Competitive Bid Loan, *provided* that if any Competitive Interest Period would end on a day other than a Domestic Business Day, such Interest Period shall be extended to the next succeeding Domestic Business Day, unless such next succeeding Domestic Business Day would be a date on or after the Commitment Termination Date, in which case such Competitive Interest Period shall end on the next preceding Domestic Business Day. Interest shall accrue from and including the first day of a Competitive Interest Period to but excluding the last day of such Competitive Interest Period.

“Consolidated”: the Borrower and the Subsidiaries on a consolidated basis in accordance with GAAP.

“Contingent Obligation”: as to any Person (the “secondary obligor”), any obligation of such secondary obligor (a) guaranteeing or in effect guaranteeing any return on any investment made by another Person, or (b) guaranteeing or in effect guaranteeing any Indebtedness, lease, dividend or other obligation (“primary obligation”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such secondary obligor, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment

of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the beneficiary of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (iv) otherwise to assure or hold harmless the beneficiary of such primary obligation against loss in respect thereof, and (v) in respect of the Indebtedness of any partnership in which such secondary obligor is a general partner, except to the extent that such Indebtedness of such partnership is nonrecourse to such secondary obligor and its separate Property, *provided* that the term “Contingent Obligation” shall not include the indorsement of instruments for deposit or collection in the ordinary course of business.

“*Continuing Director*”: any member of the board of directors of the Borrower who (i) is a member of that board of directors on the Effective Date or (ii) was nominated for election by the board of directors a majority of whom were directors on the Effective Date or whose election or nomination for election was previously approved by one or more of such directors.

“*Control Person*”: as defined in Section 3.6.

“*Convert*”, “*Conversion*” and “*Converted*”: each, a reference to a conversion pursuant to Section 3.3 of one Type of Revolving Credit Loan into another Type of Revolving Credit Loan.

“*Costs*”: as defined in Section 3.6.

“*Co-Syndication Agents*”: as defined in the preamble.

“*Credit Exposure*”: with respect to any Lender at any time, the sum at such time of (a) the Committed Credit Exposure of such Lender at such time under this Agreement and (b) the outstanding principal balance of all Competitive Bid Loans of such Lender at such time under this Agreement.

“*Credit Parties*” means the Administrative Agent, the Co-Syndication Agents, the Swing Line Lender, the Issuer and the Lenders.

“*Default*”: any of the events specified in Section 9.1, whether any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“*Disposition*”: with respect to any Person, any sale, assignment, transfer or other disposition by such Person by any means, of:

- (a) the Stock of, or other equity interests of, any other Person,
- (b) any business, operating entity, division or segment thereof, or
- (c) any other Property of such Person, other than (i) the sale of inventory (other than in connection with bulk transfers), (ii) the disposition of equipment and (iii) the sale of cash investments.

“Dividend Restrictions”: as defined in Section 8.7.

“Dollar” or “\$”: lawful currency of the United States of America.

“Domestic Business Day”: any day (other than a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City.

“Effective Date”: as defined in Section 11.20.

“Eligible Assignee”: (i) any commercial bank, investment bank, trust company, banking association, financial institution, mutual fund, pension fund or any Approved Fund or (ii) any Lender or any Affiliate or any Approved Fund of such Lender.

“Eligible SPC”: a special purpose corporation that (i) is organized under the laws of the United States or any state thereof, (ii) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody’s.

“Employee Benefit Plan”: an employee benefit plan, within the meaning of Section 3(3) of ERISA, maintained, sponsored or contributed to by the Borrower, any Subsidiary or any ERISA Affiliate.

“Environmental Laws”: all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability”: as to any Person, any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of such Person directly or indirectly resulting from or based upon (i) violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) exposure to any Hazardous Materials, (iv) the release or threatened release of any Hazardous Materials into the environment or (v) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

“ERISA Affiliate”: when used with respect to an Employee Benefit Plan, ERISA, the PBGC or a provision of the Internal Revenue Code pertaining to employee benefit plans, any Person that is a member of any group of organizations within the meaning of Sections 414(b) or (c) of the Internal Revenue Code or, solely with respect to the applicable provisions of the Internal Revenue Code, Sections 414(m) or (o) of the Internal Revenue Code, of which the Borrower or any Subsidiary is a member.

“ESOP Guaranty”: the guaranty of the 8.52% ESOP Note maturing 2008 in the aggregate unpaid principal amount, as of December 30, 2006, of \$82,100,000.

“Eurodollar Advance”: a portion of the Revolving Credit Loans selected by the Borrower to bear interest during a Eurodollar Interest Period selected by the Borrower at a rate per annum based upon a Eurodollar Rate determined with reference to such Interest Period, all pursuant to and in accordance with Section 2.1 or 3.3.

“Eurodollar Business Day”: any Domestic Business Day, other than a Domestic Business Day on which banks are not open for dealings in Dollar deposits in the interbank eurodollar market.

“Eurodollar Interest Period”: the period commencing on any Eurodollar Business Day selected by the Borrower in accordance with Section 2.3 or Section 3.3 and ending one, two, three or six months thereafter, as selected by the Borrower in accordance with either such Sections, subject to the following:

(i) if any Eurodollar Interest Period would otherwise end on a day which is not a Eurodollar Business Day, such Interest Period shall be extended to the immediately succeeding Eurodollar Business Day unless the result of such extension would be to carry the end of such Interest Period into another calendar month, in which event such Interest Period shall end on the Eurodollar Business Day immediately preceding such day; and

(ii) if any Eurodollar Interest Period shall begin on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), such Interest Period shall end on the last Eurodollar Business Day of such latter calendar month.

“Eurodollar Rate”: with respect to each Eurodollar Advance and as determined by the Administrative Agent, the rate of interest per annum (rounded, if necessary, to the nearest 1/100 of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) equal to a fraction, the numerator of which is the rate per annum quoted by BNY at approximately 11:00 A.M. (or as soon thereafter as practicable) two Eurodollar Business Days prior to the first day of such Interest Period to leading banks in the interbank eurodollar market as the rate at which BNY is offering Dollar deposits in an amount approximately equal to its Commitment Percentage of such Eurodollar Advance and having a period to maturity approximately equal to the Interest Period applicable to such Eurodollar Advance, and the denominator of which is an amount equal to 1.00 *minus* the aggregate of the then stated maximum rates during such Interest Period of all reserve requirements (including marginal, emergency, supplemental and special reserves), expressed as a decimal, established by the Board of Governors of the Federal Reserve System and any other banking authority to which BNY and other major United States money center banks are subject, in respect of eurocurrency liabilities.

“Event of Default”: any of the events specified in Section 9.1, *provided* that any requirement for the giving of notice, the lapse of time, or both, or any other condition has been satisfied.

“Existing 2004 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of June 11, 2004, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Securities, Inc., as co-syndication agents, ABN AMRO Bank N.V., as documentation agent, and BNY, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2005 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of June 3, 2005, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Bank, National Association, as co-syndication agents, SunTrust Bank, as documentation agent, and BNY, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2006 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of May 12, 2006, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Lehman Brothers Inc. and Wachovia Bank, National Association, as co-syndication agents, KeyBank National Association, as documentation agent, and BNY, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Expiration Date”: the first date, occurring on or after the date the Commitments shall have terminated or been terminated in accordance herewith, upon which there shall be no Loans or Letters of Credit outstanding.

“Facility Fee”: as defined in Section 3.11(a).

“Federal Funds Effective Rate”: for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Domestic Business Day, for the next preceding Domestic Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Domestic Business Day, the average (rounded, if necessary, to the nearest 1/100 of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

“Fees”: as defined in Section 3.2(a).

“Financial Statements”: as defined in Section 4.13.

“Foreign Lender”: any Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

“GAAP”: generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority”: any foreign, federal, state, municipal or other government, or any department, commission, board, bureau, agency, public authority or instrumentality thereof, or any court or arbitrator.

“Granting Lender”: as defined in Section 11.7(h).

“Hazardous Materials”: all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Highest Lawful Rate”: as to any Lender, the maximum rate of interest, if any, which at any time or from time to time may be contracted for, taken, charged or received on the Loans or the Notes or which may be owing to such Lender pursuant to this Agreement under the laws applicable to such Lender and this Agreement.

“Indebtedness”: as to any Person at a particular time, all items of such Person which constitute, without duplication, (a) indebtedness for borrowed money or the deferred purchase price of Property (other than trade payables and accrued expenses incurred in the ordinary course of business), (b) indebtedness evidenced by notes, bonds, debentures or similar instruments, (c) indebtedness with respect to any conditional sale or other title retention agreement, (d) indebtedness arising under acceptance facilities and the amount available to be drawn under all letters of credit (excluding for purposes of Sections 8.1 and 8.9 letters of credit obtained in the ordinary course of business by the Borrower or any Subsidiary) issued for the account of such Person and, without duplication, all drafts drawn thereunder to the extent such Person shall not have reimbursed the issuer in respect of the issuer’s payment of such drafts, (e) that portion of any obligation of such Person, as lessee, which in accordance with GAAP is required to be capitalized on a balance sheet of such Person, (f) all indebtedness described in (a) - (e) above secured by any Lien on any Property owned by such Person even though such Person shall not have assumed or otherwise become liable for the payment thereof (other than carriers’, warehousemen’s, mechanics’, repairmen’s or other like non-consensual Liens arising in the ordinary course of business), and (g) Contingent Obligations in respect of any indebtedness described in items (a) - (f) above, *provided* that, for purposes of this definition, Indebtedness shall not include Intercompany Debt and obligations in respect of interest rate caps, collars, exchanges, swaps or other, similar agreements.

“Indemnified Liabilities”: as defined in Section 11.5.

“Indemnified Person”: as defined in Section 11.10.

“Intercompany Debt”: (i) Indebtedness of the Borrower to one or more of the Subsidiaries of the Borrower and (ii) demand Indebtedness of one or more of the Subsidiaries of the Borrower to the Borrower or any one or more of the other Subsidiaries of the Borrower.

“Intercompany Disposition”: a Disposition by the Borrower or any of the Subsidiaries of the Borrower to the Borrower or to any of the other Subsidiaries of the Borrower.

“Interest Payment Date”: (i) as to any ABR Advance, the last day of each March, June, September and December, commencing on the first of such days to occur after such ABR Advance is made or any Eurodollar Advance is converted to an ABR Advance, (ii) as to any Swing Line Loan, the day on which the outstanding principal balance of such Swing Line Loan shall become due and payable in accordance with Section 2.2(a), (iii) as to any Eurodollar Advance in respect of which the Borrower has selected a Eurodollar Interest Period of one, two or three months, the last day of such Eurodollar Interest Period, (iv) as to any Competitive Bid Loan in respect of which the Borrower has selected a Competitive Interest Period of 90 days or less the last day of such Competitive Interest Period and (v) as to any Eurodollar Advance or Competitive Bid Loan in respect of which the Borrower has selected an Interest Period greater than three months or 90 days, as the case may be, the last day of the third month or the 90th day, as the case may be, of such Interest Period and the last day of such Interest Period.

“Interest Period”: a Eurodollar Interest Period, a Swing Line Interest Period or a Competitive Interest Period, as the case may be.

“Internal Revenue Code”: the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

“Invitation to Bid”: an invitation by the Administrative Agent to the Lenders to make Competitive Bids in the form of Exhibit G.

“issue” or “issuance”: when used with respect to a Letter of Credit, shall be deemed to include any increase in the amount of such Letter of Credit.

“Issuer”: BNY.

“Lender”: as defined in the preamble; such term to also include the Swing Line Lender and the Issuer where the context hereof requires or permits such inclusion.

“Letter of Credit”: as defined in Section 2.8.

“Letter of Credit Commitment”: the commitment of the Issuer to issue Letters of Credit in accordance with the terms hereof in an aggregate outstanding face amount not exceeding \$150,000,000 (or, if less, the Aggregate Commitment Amount) at any time, as the same may be reduced pursuant to Section 2.6.

“Letter of Credit Exposure”: at any time, (a) in respect of all Lenders, the sum, without duplication, of (i) the maximum aggregate amount which may be drawn under all unexpired Letters of Credit at such time (whether the conditions for drawing thereunder have or may be satisfied), (ii) the aggregate amount, at such time, of all unpaid drafts (which have not been dishonored) drawn under all Letters of Credit, and (iii) the aggregate unpaid principal amount of the Reimbursement Obligations at such time, and (b) in respect of any Lender, an amount equal to such Lender’s Commitment Percentage at such time multiplied by the amount determined under clause (a) of this definition.

“Letter of Credit Participation”: with respect to each Lender, its obligations to the Issuer under Section 2.9.

“Letter of Credit Participation Fee”: as defined in Section 3.12.

“Letter of Credit Request”: a request in the form of Exhibit J.

“Lien”: any mortgage, pledge, hypothecation, assignment, lien, deposit arrangement, charge, encumbrance or other security arrangement or security interest of any kind, or the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

“Loan”: a Revolving Credit Loan, a Competitive Bid Loan or a Swing Line Loan, as the case may be.

“Loan Documents”: this Agreement and, upon the execution and delivery thereof, the Notes, if any, and the Reimbursement Agreements.

“Loans”: the Revolving Credit Loans, the Competitive Bid Loans and the Swing Line Loans.

“Mandatory Borrowing”: as defined in Section 2.2(b).

“Margin Stock”: any “margin stock”, as said term is defined in Regulation U of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time.

“Material Adverse”: with respect to any change or effect, a material adverse change in, or effect on, as the case may be, (i) the financial condition, operations, business, or Property of the Borrower and the Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the ability of the Administrative Agent, the Issuer or any Lender to enforce the Loan Documents.

“Moody’s”: Moody’s Investors Service, Inc.

“Multiemployer Plan”: a Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Negotiated Rate”: with respect to each Swing Line Loan, the rate per annum agreed to in writing by the Borrower and the Swing Line Lender as the interest rate which such Swing Line Loan shall bear.

“Net Worth”: at any date of determination, the sum of all amounts which would be included under shareholders’ equity on a Consolidated balance sheet of the Borrower and the Subsidiaries determined in accordance with GAAP as at such date.

“Note”: with respect to each Lender that has requested one, a promissory note evidencing such Lender’s Loans payable to the order of such Lender (or, if required by such Lender, to such Lender and its registered assigns), substantially in the form of Exhibit B.

“Participant”: as defined in Section 11.7(e).

“Patriot Act”: as defined in Section 11.22.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, or any Governmental Authority succeeding to the functions thereof.

“Pension Plan”: at any time, any Employee Benefit Plan (including a Multiemployer Plan) subject to Section 302 of ERISA or Section 412 of the Internal Revenue Code, the funding requirements of which are, or at any time within the six years immediately preceding the time in question, were in whole or in part, the responsibility of the Borrower, any Subsidiary or an ERISA Affiliate.

“Person”: any individual, firm, partnership, limited liability company, joint venture, corporation, association, business trust, joint stock company, unincorporated association, trust, Governmental Authority or any other entity, whether acting in an individual, fiduciary, or other capacity, and for the purpose of the definition of “ERISA Affiliate”, a trade or business.

“Pricing Level”: Pricing Level I, Pricing Level II, Pricing Level III, Pricing Level IV, Pricing Level V or Pricing Level VI, as the case may be.

“Pricing Level I”: any time when the senior unsecured long term debt rating of the Borrower by (x) S&P is A+ or higher or (y) Moody’s is A1 or higher.

“Pricing Level II”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is A or higher or (y) Moody’s is A2 or higher and (ii) Pricing Level I does not apply.

“Pricing Level III”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is A- or higher or (y) Moody’s is A3 or higher and (ii) neither Pricing Level I nor II applies.

“Pricing Level IV”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB+ or higher or (y) Moody’s is Baa1 or higher and (ii) none of Pricing Level I, II or III applies.

“Pricing Level V”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB or higher or (y) Moody’s is Baa2 or higher and (ii) none of Pricing Level I, II, III or IV applies.

“Pricing Level VI”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB- or higher or (y) Moody’s is Baa3 or higher and (ii) none of Pricing Level I, II, III, IV or V applies.

“Pricing Level VII”: any time when none of Pricing Level I, II, III, IV, V or VI applies.

Notwithstanding each definition of Pricing Level set forth above, if at any time the senior unsecured long term debt ratings of the Borrower by S&P and Moody’s differ by more than one equivalent rating level, then the applicable Pricing Level shall be determined based upon the lower such rating adjusted upwards to the next higher rating level.

“Principal Office”: from time to time, the principal office of BNY, located on the date hereof in New York, New York.

“Prohibited Transaction”: a transaction that is prohibited under Section 4975 of the Internal Revenue Code or Section 406 of ERISA and not exempt under Section 4975 of the Internal Revenue Code or Section 408 of ERISA.

“Property”: in respect of any Person, all types of real, personal or mixed property and all types of tangible or intangible property owned or leased by such Person.

“Regulatory Change”: (a) the introduction or phasing in of any law, rule or regulation after the date hereof, (b) the issuance or promulgation after the date hereof of any directive, guideline or request from any central bank or United States or foreign Governmental Authority (whether or not having the force of law), or (c) any change after the date hereof in the interpretation of any existing law, rule, regulation, directive, guideline or request by any central bank or United States or foreign Governmental Authority charged with the administration thereof, in each case applicable to the transactions contemplated by this Agreement.

“Reimbursement Agreement”: as defined in Section 2.8(b).

“Reimbursement Obligations”: all obligations and liabilities of the Borrower due and to become due (a) under the Reimbursement Agreements and (b) hereunder in respect of Letters of Credit.

“Related Parties”: with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Replaced Lender”: as defined in Section 3.13.

“Replacement Lender”: as defined in Section 3.13.

“Reportable Event”: with respect to any Pension Plan, (a) any event set forth in Sections 4043(c) (other than a Reportable Event as to which the 30 day notice requirement is waived by the PBGC under applicable regulations), 4062(e) or 4063(a) of ERISA, or the regulations thereunder, (b) an event requiring the Borrower, any Subsidiary or any ERISA Affiliate to provide security to a Pension Plan under Section 401(a)(29) of the Internal Revenue Code, or (c) the failure to make any payment required by Section 412(m) of the Internal Revenue Code.

“Required Lenders”: (a) at any time prior to the Commitment Termination Date or such earlier date as all of the Commitments shall have terminated or been terminated in accordance herewith, Lenders having Commitment Amounts equal to or more than 51% of the Aggregate Commitment Amount, and (b) at all other times, Lenders having Credit Exposure equal to or more than 51% of the Aggregate Credit Exposure.

“Restricted Payment”: with respect to any Person, any of the following, whether direct or indirect: (a) the declaration or payment by such Person of any dividend or distribution on any class of Stock of such Person, other than a dividend payable solely in shares of that class of Stock to the holders of such class, (b) the declaration or payment by such Person of any distribution on any other type or class of equity interest or equity investment in such Person, and (c) any redemption, retirement, purchase or acquisition of, or sinking fund or other similar payment in respect of, any class of Stock of, or other type or class of equity interest or equity investment in, such Person.

“Restrictive Agreement”: as defined in Section 8.7.

“Revolving Credit Loans”: as defined in Section 2.1(a).

“S&P”: Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“Solvent”: with respect to any Person on a particular date, the condition that on such date, (i) the fair value of the Property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (iv) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s Property would constitute an unreasonably small amount of capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability after taking into account probable payments by co-obligors.

“Special Counsel”: such counsel as the Administrative Agent may engage from time to time.

“Subsidiary”: at any time and from time to time, any corporation, association, partnership, limited liability company, joint venture or other business entity of which the Borrower and/or any Subsidiary of the Borrower, directly or indirectly at such time, either (a) in respect of a corporation, owns or controls more than 50% of the outstanding stock having ordinary voting power to elect a majority of the board of directors or similar managing body, irrespective of whether a class or classes shall or might have voting power by reason of the happening of any contingency, or (b) in respect of an association, partnership, limited liability company, joint venture or other business entity, is entitled to share in more than 50% of the profits and losses, however determined.

“Swing Line Commitment”: the commitment of the Swing Line Lender to make Swing Line Loans in accordance with the terms hereof in an aggregate outstanding principal amount not exceeding \$100,000,000 (or, if less, the Aggregate Commitment Amount) at any time, as the same may be reduced pursuant to Section 2.6.

“Swing Line Commitment Period”: the period from the Effective Date to, but excluding, the Swing Line Termination Date.

“Swing Line Exposure”: at any time, in respect of any Lender, an amount equal to the aggregate principal balance of Swing Line Loans at such time multiplied by such Lender’s Commitment Percentage at such time.

“Swing Line Interest Period”: as to any Swing Line Loan, the period commencing on the date of such Swing Line loan and ending on the date set forth by the Borrower in the Borrowing Request with respect to such Swing Line Loan, *provided* that the last day of any Swing Line Interest Period shall not be earlier than one day after the date of such Swing Line Loan or later than 7 days after the date of such Swing Line Loan and in no event later than the Swing Line Termination Date, and *provided further* that if any Swing Line Interest Period would end on a day other than a Domestic Business Day, such Interest Period shall be extended to the next succeeding Domestic Business Day.

“Swing Line Lender”: BNY.

“Swing Line Loan” and *“Swing Line Loans”*: as defined in Section 2.2(a).

“Swing Line Maturity Date”: as defined in Section 2.2(a).

“Swing Line Participation Amount”: as defined in Section 2.2(c).

“Swing Line Termination Date”: the date which is 7 Domestic Business Days prior to the Commitment Termination Date.

“Tangible Net Worth”: at any date of determination, Net Worth less all assets of the Borrower and its Subsidiaries included in such Net Worth, determined on a Consolidated basis at such date, that would be classified as intangible assets in accordance with GAAP.

“Termination Event”: with respect to any Pension Plan, (a) a Reportable Event, (b) the termination of a Pension Plan under Section 4041(c) of ERISA, or the filing of a notice of intent to terminate a Pension Plan under Section 4041(c) of ERISA, or the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA (except an amendment made after such Pension Plan satisfies the requirement for a standard termination under Section 4041(b) of ERISA), (c) the institution of proceedings by the PBGC to terminate a Pension Plan under Section 4042 of ERISA, or (d) the appointment of a trustee to administer any Pension Plan under Section 4042 of ERISA.

“Total Capitalization”: at any date, the sum of the Borrower’s Consolidated Indebtedness and shareholders’ equity on such date, determined in accordance with GAAP.

“2007 Bridge Credit Agreement”: the 364 Day Credit Agreement, dated as of March, 2007, by and among the Borrower, the lenders party thereto, Morgan Stanley Senior Funding, Inc., as syndication agent, and Lehman Commercial Paper Inc., as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“2007 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as co-syndication agents, Morgan Stanley Senior Funding, Inc., as documentation agent, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Type”: with respect to any Revolving Credit Loan, the characteristic of such Loan as an ABR Advance or a Eurodollar Advance, each of which constitutes a Type of Revolving Credit Loan.

“Unqualified Amount”: as defined in Section 3.4(c).

“Upstream Dividends”: as defined in Section 8.7.

“Utilization Fee”: as defined in Section 3.11(b).

1.2 Principles of Construction

(a) All capitalized terms defined in this Agreement shall have the meanings given such capitalized terms herein when used in the other Loan Documents or in any certificate, opinion or other document made or delivered pursuant hereto or thereto, unless otherwise expressly provided therein.

(b) Unless otherwise expressly provided herein, the word *“fiscal”* when used herein shall refer to the relevant fiscal period of the Borrower. As used in the Loan Documents and in any certificate, opinion or other document made or delivered pursuant thereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words *“hereof”*, *“herein”*, *“hereto”* and *“hereunder”* and similar words when used in each Loan Document shall refer to such Loan Document as a whole and not to any particular provision of such Loan Document, and Section, schedule and exhibit references contained therein shall refer to Sections thereof or schedules or exhibits thereto unless otherwise expressly provided therein.

(d) All references herein to a time of day shall mean the then applicable time in New York, New York, unless otherwise expressly provided herein.

(e) Section headings have been inserted in the Loan Documents for convenience only and shall not be construed to be a part thereof. Unless the context otherwise requires, words in the singular number include the plural, and words in the plural include the singular.

(f) Whenever in any Loan Document or in any certificate or other document made or delivered pursuant thereto, the terms thereof require that a Person sign or execute the same or refer to the same as having been so signed or executed, such terms shall mean that the same shall be, or was, duly signed or executed by (i) in respect of any Person that is a corporation, any duly authorized officer thereof, and (ii) in respect of any other Person (other than an individual), any analogous counterpart thereof.

(g) The words “include” and “including”, when used in each Loan Document, shall mean that the same shall be included “without limitation”, unless otherwise specifically provided.

2. *AMOUNT AND TERMS OF LOANS*

2.1 *Revolving Credit Loans*

(a) Subject to the terms and conditions hereof, each Lender severally (and not jointly) agrees to make loans under this Agreement (each a “*Revolving Credit Loan*” and, collectively with each other Revolving Credit Loan of such Lender and/or with each Revolving Credit Loan of each other Lender, the “*Revolving Credit Loans*”) to the Borrower from time to time during the Commitment Period, during which period the Borrower may borrow, prepay and reborrow in accordance with the provisions hereof. Immediately after making each Revolving Credit Loan and after giving effect to all Swing Line Loans and Competitive Bid Loans repaid and all Reimbursement Obligations paid on the same date, the Aggregate Credit Exposure will not exceed the Aggregate Commitment Amount. With respect to each Lender, at the time of the making of any Revolving Credit Loan, the sum of (I) the principal amount of such Lender’s Revolving Credit Loan constituting a part of the Revolving Credit Loans to be made, (II) the aggregate principal balance of all other Revolving Credit Loans (exclusive of Revolving Credit Loans which are repaid with the proceeds of, and simultaneously with the incidence of, the Revolving Credit Loans to be made) then outstanding from such Lender and (III) the product of (A) such Lender’s Commitment Percentage and (B) the sum of (1) the aggregate principal balance of all Swing Line Loans (exclusive of Swing Line Loans which are repaid with the proceeds of, and simultaneously with the incurrence of, the Revolving Credit Loans to be made) then outstanding and (2) the Letter of Credit Exposure of all Lenders, will not exceed the Commitment of such Lender at such time. At the option of the Borrower, indicated in a Borrowing Request, Revolving Credit Loans may be made as ABR Advances or Eurodollar Advances.

(b) The aggregate outstanding principal balance of all Revolving Credit Loans shall be due and payable on the Commitment Termination Date or on such earlier date upon which all of the Commitments shall have been terminated in accordance with Section 2.6.

2.2 *Swing Line Loans*

(a) Subject to the terms and conditions hereof, the Swing Line Lender agrees to make loans under this Agreement (each a “*Swing Line Loan*” and, collectively, the “*Swing Line Loans*”) to the Borrower from time to time during the Swing Line Commitment Period.

Swing Line Loans (i) may be repaid and reborrowed in accordance with the provisions hereof, (ii) shall not, immediately after giving effect thereto, result in the Aggregate Credit Exposure exceeding the Aggregate Commitment Amount, and (iii) shall not, immediately after giving effect thereto, result in the aggregate outstanding principal balance of all Swing Line Loans exceeding the Swing Line Commitment. The Swing Line Lender shall not be obligated to make any Swing Line Loan at a time when any Lender shall be in default of its obligations under this Agreement unless the Swing Line Lender has entered into arrangements satisfactory to it and the Borrower to eliminate the Swing Line Lender's risk with respect to such defaulting Lender's participation in such Swing Line Loan. The Swing Line Lender will not make a Swing Line Loan if the Administrative Agent, or any Lender by notice to the Swing Line Lender and the Borrower no later than one Domestic Business Day prior to the Borrowing Date with respect to such Swing Line Loan, shall have determined that the conditions set forth in Sections 5 and/or 6, as applicable, have not been satisfied and such conditions remain unsatisfied as of the requested time of the making of such Loan. Each Swing Line Loan shall be due and payable on the day (the "*Swing Line Maturity Date*") being the earliest of the last day of the Swing Line Interest Period applicable thereto, the date on which the Swing Line Commitment shall have been terminated in accordance with Section 2.6, and the date on which the Loans shall become due and payable pursuant to the provisions hereof, whether by acceleration or otherwise. Each Swing Line Loan shall bear interest at the Negotiated Rate applicable thereto. The Swing Line Lender shall disburse the proceeds of Swing Line Loans at its office designated in Section 11.2 by crediting such proceeds to an account of the Borrower maintained with the Swing Line Lender.

(b) On any Domestic Business Day, the Swing Line Lender may, in its sole discretion, give notice to the Lenders and the Borrower that such outstanding Swing Line Loan shall be funded with a borrowing of Revolving Credit Loans (*provided* that such notice shall be deemed to have been automatically given upon the occurrence of a Default or an Event of Default under Sections 9.1(h), (i) or (j)), in which case a borrowing of Revolving Credit Loans made as ABR Advances (each such borrowing, a "*Mandatory Borrowing*"), shall be made by all Lenders *pro rata* based on each such Lender's Commitment Percentage on the Domestic Business Day immediately succeeding the giving of such notice. The proceeds of each Mandatory Borrowing shall be remitted directly to the Swing Line Lender to repay such outstanding Swing Line Loan. Each Lender irrevocably agrees to make a Revolving Credit Loan pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified in writing by the Swing Line Lender notwithstanding: (i) whether the amount of such Mandatory Borrowing complies with the minimum amount for Loans otherwise required hereunder, (ii) whether any condition specified in Section 6 is then unsatisfied, (iii) whether a Default or an Event of Default then exists, (iv) the Borrowing Date of such Mandatory Borrowing, (v) the aggregate principal amount of all Loans then outstanding, (vi) the Aggregate Credit Exposure at such time and (vii) the amount of the Commitments at such time.

(c) Upon each receipt by a Lender of notice from the Administrative Agent, such Lender shall purchase unconditionally, irrevocably, and severally (and not jointly) from the Swing Line Lender a participation in the outstanding Swing Line Loans (including accrued interest thereon) in an amount equal to the product of its Commitment Percentage and the outstanding balance of the Swing Line Loans (each, a "*Swing Line Participation Amount*").

Each Lender shall also be liable for an amount equal to the product of its Commitment Percentage and any amounts paid by the Borrower pursuant to this Section that are subsequently rescinded or avoided, or must otherwise be restored or returned. Such liabilities shall be unconditional and without regard to the occurrence of any Default or Event of Default or the compliance by the Borrower with any of its obligations under the Loan Documents.

(d) In furtherance of Section 2.2(c), upon each receipt by a Lender of notice from the Administrative Agent, such Lender shall promptly make available to the Administrative Agent for the account of the Swing Line Lender its Swing Line Participation Amount at the office of the Administrative Agent specified in Section 11.2, in lawful money of the United States and in immediately available funds. The Administrative Agent shall deliver the payments made by each Lender pursuant to the immediately preceding sentence to the Swing Line Lender promptly upon receipt thereof in like funds as received. Each Lender hereby indemnifies and agrees to hold harmless the Administrative Agent and the Swing Line Lender from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs and expenses resulting from any failure on the part of such Lender to pay, or from any delay in paying, the Administrative Agent any amount such Lender is required by notice from the Administrative Agent to pay in accordance with this Section (except in respect of losses, liabilities or other obligations suffered by the Administrative Agent or the Swing Line Lender, as the case may be, resulting from the gross negligence or willful misconduct of the Administrative Agent or the Swing Line Lender, as the case may be), and such Lender shall pay interest to the Administrative Agent for the account of the Swing Line Lender from the date such amount was due until paid in full, on the unpaid portion thereof, at a rate of interest per annum, whether before or after judgment, equal to (i) from the date such amount was due until the third day therefrom, the Federal Funds Effective Rate, and (ii) thereafter, the Federal Funds Effective Rate *plus* 2%, payable upon demand by the Swing Line Lender. The Administrative Agent shall distribute such interest payments to the Swing Line Lender upon receipt thereof in like funds as received.

(e) Whenever the Administrative Agent is reimbursed by the Borrower for the account of the Swing Line Lender for any payment in connection with Swing Line Loans and such payment relates to an amount previously paid by a Lender pursuant to this Section, the Administrative Agent will promptly remit such payment to such Lender.

2.3 *Notice of Borrowing Revolving Credit Loans and Swing Line Loans*

The Borrower agrees to notify the Administrative Agent (and with respect to a Swing Line Loan, the Swing Line Lender), which notification shall be irrevocable, no later than (a) 12:00 Noon on the proposed Borrowing Date in the case of Swing Line Loans, (b) 10:00 A.M. on the proposed Borrowing Date in the case of Revolving Credit Loans to consist of ABR Advances and (c) 10:00 A.M. at least two Eurodollar Business Days prior to the proposed Borrowing Date in the case of Revolving Credit Loans to consist of Eurodollar Advances. Each such notice shall specify (i) the aggregate amount requested to be borrowed under the Commitments or the Swing Line Commitment, (ii) the proposed Borrowing Date, (iii) whether a borrowing of Revolving Credit Loans is to be of ABR Advances or Eurodollar Advances, and the amount of each thereof (iv) the Eurodollar Interest Period for such Eurodollar Advances and (v)

the Swing Line Interest Period for, and the amount of, each Swing Line Loan. Each such notice shall be promptly confirmed by delivery to the Administrative Agent (and, with respect to a Swing Line Loan, the Swing Line Lender) of a Borrowing Request. Each Eurodollar Advance to be made on a Borrowing Date, when aggregated with all amounts to be Converted to Eurodollar Advances on such date and having the same Interest Period as such Eurodollar Advance, shall equal no less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof. Each ABR Advance made on each Borrowing Date shall equal no less than \$5,000,000 or an integral multiple of \$500,000 in excess thereof. Each Swing Line Loan made on each Borrowing Date shall equal no less than \$1,000,000 or an integral multiple of \$500,000 in excess thereof. The Administrative Agent shall promptly notify each Lender (by telephone or otherwise, such notification to be confirmed by fax or other writing) of each such Borrowing Request. Subject to its receipt of each such notice from the Administrative Agent and subject to the terms and conditions hereof, (A) each Lender shall make immediately available funds available to the Administrative Agent at the address therefor set forth in Section 11.2 not later than 1:00 P.M. on each Borrowing Date in an amount equal to such Lender's Commitment Percentage of the Revolving Credit Loans requested by the Borrower on such Borrowing Date and/or (B) the Swing Line Lender shall make immediately available funds available to the Borrower on such Borrowing Date in an amount equal to the Swing Line Loan requested by the Borrower.

2.4 *Competitive Bid Loans and Procedure*

(a) Subject to the terms and conditions hereof, the Borrower may request competitive bid loans under this Agreement (each a "*Competitive Bid Loan*") during the Commitment Period. In order to request Competitive Bids, the Borrower shall deliver by hand or fax to the Administrative Agent a duly completed Competitive Bid Request not later than 11:00 A.M., one Domestic Business Day before the proposed Borrowing Date therefor. A Competitive Bid Request that does not conform substantially to the format of Exhibit F may be rejected by the Administrative Agent in the Administrative Agent's reasonable discretion, and the Administrative Agent shall promptly notify the Borrower of such rejection by fax and telephone. Each Competitive Bid Request shall specify (x) the proposed Borrowing Date for the Competitive Bid Loans then being requested (which shall be a Domestic Business Day) and the aggregate principal amount thereof and (y) the Competitive Interest Period or Interest Periods (which shall not exceed ten different Interest Periods in a single Competitive Bid Request), with respect thereto (which may not end after the Domestic Business Day immediately preceding the Commitment Termination Date). Promptly after its receipt of each Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by fax (in the form of Exhibit G) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Bid Loans pursuant to such Competitive Bid Request.

(b) Each Lender, in its sole and absolute discretion, may make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Lender must be received by the Administrative Agent not later than 10:00 A.M. on the proposed Borrowing Date for the relevant Competitive Bid Loan. Multiple bids will be accepted by the Administrative Agent. Bids to make Competitive Bid Loans that do not conform substantially to the format of Exhibit H may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower, and the Administrative Agent shall

notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall be irrevocable and shall specify (x) the principal amount (which (1) shall be in a minimum principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (2) may equal the entire principal amount requested by the Borrower) of the Competitive Bid Loan or Competitive Bid Loans that the Lender is willing to make to the Borrower, (y) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Competitive Bid Loan or Competitive Bid Loans, and (z) the Competitive Interest Period with respect to each such Competitive Bid Loan and the last day thereof. If any Lender shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent by fax not later than 10:00 A.M. on the proposed Borrowing Date therefor, *provided* that the failure by any Lender to give any such notice shall not obligate such Lender to make any Competitive Bid Loan in connection with the relevant Competitive Bid Request.

(c) With respect to each Competitive Bid Request, the Administrative Agent shall (i) notify the Borrower by fax by 11:00 A.M. on the proposed Borrowing Date with respect thereto of each Competitive Bid made, the Competitive Bid Rate applicable thereto and the identity of the Lender that made such Competitive Bid, and (ii) send a list of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process. Each notice and list sent by the Administrative Agent pursuant to this Section 2.4(c) shall list the Competitive Bids in ascending yield order.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this Section 2.4(d), accept or reject any Competitive Bid made in accordance with the procedures set forth in this Section 2.4, and the Borrower shall notify the Administrative Agent by telephone, confirmed by fax in the form of a Competitive Bid Accept/Reject Letter, whether and to what extent it has decided to accept or reject any or all of such Competitive Bids not later than 12:00 Noon on the proposed Borrowing Date therefor, *provided* that the failure by the Borrower to give such notice shall be deemed to be a rejection of all such Competitive Bids. In connection with each acceptance of one or more Competitive Bids by the Borrower:

(1) the Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if the Borrower has decided to reject a Competitive Bid made at a lower Competitive Bid Rate unless the acceptance of such lower Competitive Bid would subject the Borrower to any requirement to withhold any taxes or deduct any amount from any amounts payable under the Loan Documents, in which case the Borrower may reject such lower Competitive Bid,

(2) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request therefor,

(3) if the Borrower shall desire to accept a Competitive Bid made at a particular Competitive Bid Rate, it must accept all other Competitive Bids at such Competitive Bid Rate, except for any such Competitive Bid the acceptance of which would subject the Borrower to any requirement to withhold any taxes or deduct any amount from any amounts payable under the Loan Documents, *provided* that if the acceptance of all such other Competitive

Bids would cause the aggregate amount of all such accepted Competitive Bids to exceed the amount requested, then such acceptance shall be made pro rata in accordance with the amount of each such Competitive Bid at such Competitive Bid Rate,

(4) except pursuant to clause (3) above, no Competitive Bid shall be accepted unless the Competitive Bid Loan with respect thereto shall be in a minimum principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and

(5) no Competitive Bid shall be accepted and no Competitive Bid Loan shall be made, if immediately after giving effect thereto, the Aggregate Credit Exposure would exceed the Aggregate Commitment Amount.

(e) The Administrative Agent shall promptly fax to each bidding Lender (with a copy to the Borrower) a Competitive Bid Accept/Reject Letter advising such Lender whether its Competitive Bid has been accepted (and if accepted, in what amount and at what Competitive Bid Rate), and each successful bidder so notified will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Bid Loan in respect of which each of its Competitive Bids has been accepted by making immediately available funds available to the Administrative Agent at its address set forth in Section 11.2 not later than 1:00 P.M. on the Borrowing Date for such Competitive Bid Loan in the amount thereof.

(f) Anything herein to the contrary notwithstanding, if the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such bid directly to the Borrower not later than 9:30 A.M. on the relevant proposed Borrowing Date.

(g) All notices required by this Section shall be given in accordance with Section 11.2.

(h) Each Competitive Bid Loan shall be due and payable on the last day of the Interest Period applicable thereto or on such earlier date upon which the Loans shall become due and payable pursuant to the provisions hereof, whether by acceleration or otherwise.

2.5 *Use of Proceeds*

The Borrower agrees that the proceeds of the Loans and Letters of Credit shall be used solely for its general corporate purposes not inconsistent with the provisions hereof, including as a backup for commercial paper issued by the Borrower and to finance in part the consideration paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid to the Caremark shareholders, *provided* that prior to the consummation of the Caremark Merger, the Borrower shall not be permitted to borrow hereunder except in anticipation of the proposed direct or indirect financing in part of the consideration paid or to be paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid or to be paid to the Caremark shareholders (which may include a borrowing for the purpose of refunding Caremark Merger Anticipatory Commercial Paper). Notwithstanding anything to the contrary contained in any Loan Document, the Borrower further agrees that no part of the proceeds of any Loan or Letter of Credit will be used, directly or

indirectly, and whether immediately, incidentally or ultimately (i) for a purpose which violates any law, rule or regulation of any Governmental Authority, including the provisions of Regulations U or X of the Board of Governors of the Federal Reserve System, as amended or any provision of this Agreement, including, without limitation, the provisions of Section 4.9 and (ii) to make a loan to any director or executive officer of the Borrower or any Subsidiary.

2.6 *Termination or Reduction of Commitments*

(a) *Voluntary Termination or Reductions.* At the Borrower's option and upon at least three Domestic Business Days' prior irrevocable notice to the Administrative Agent, the Borrower may (i) terminate the Commitments, the Swing Line Commitment and the Letter of Credit Commitment, at any time, or (ii) permanently reduce the Aggregate Commitment Amount, the Swing Line Commitment or the Letter of Credit Commitment, in part at any time and from time to time, *provided* that (1) each such partial reduction shall be in an amount equal to at least (A) in the case of the Aggregate Commitment Amount \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, (B) in the case of the Swing Line Commitment, \$1,000,000, or an integral multiple of \$1,000,000 in excess thereof, and (C) in the case of the Letter of Credit Commitment, \$1,000,000, or an integral multiple of \$1,000,000 in excess thereof, and (2) immediately after giving effect to each such reduction, (A) the Aggregate Commitment Amount shall equal or exceed the Aggregate Credit Exposure, (B) the Swing Line Commitment shall equal or exceed the aggregate outstanding principal balance of all Swing Line Loans and (C) the Letter of Credit Commitment shall equal or exceed the Letter of Credit Exposure of all Lenders, and *provided further* that a notice of termination of the Commitments, the Swing Line Commitment and the Letter of Credit Commitment delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the consummation of the issuance of long term Indebtedness or equity securities (such notice to specify the proposed effective date), in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to such specified effective date) if such condition is not satisfied and the Borrower shall indemnify the Lenders in accordance with Section 3.5.

(b) *Mandatory Termination or Reductions.* If for any reason the Caremark Merger Effective Date has not occurred on or before November 1, 2007, the Commitments, the Swing Line Commitment and the Letter of Credit Commitment shall be automatically terminated and the Aggregate Commitment Amount shall be reduced to zero on November 1, 2007.

(c) *In General.* Each reduction of the Aggregate Commitment Amount shall be made by reducing each Lender's Commitment Amount by a sum equal to such Lender's Commitment Percentage of the amount of such reduction.

2.7 *Prepayments of Loans*

(a) *Voluntary Prepayments.* The Borrower may prepay Revolving Credit Loans, Competitive Bid Loans and Swing Line Loans, in whole or in part, without premium or penalty, but subject to Section 3.5 at any time and from time to time, by notifying the Administrative Agent, which notification shall be irrevocable, at least two Eurodollar Business

Days, in the case of a prepayment of Eurodollar Advances, two Domestic Business Days, in the case of Competitive Bid Loans, or one Domestic Business Day, in the case of a prepayment of Swing Line Loans and ABR Advances, prior to the proposed prepayment date specifying (i) the Loans to be prepaid, (ii) the amount to be prepaid, and (iii) the date of prepayment. Upon receipt of each such notice, the Administrative Agent shall promptly notify each Lender thereof. Each such notice given by the Borrower pursuant to this Section shall be irrevocable, *provided that*, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments, the Swing Line Commitment and the Letter of Credit Commitment as contemplated by Section 2.6, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.6, and the Borrower shall indemnify the Lenders in accordance with Section 3.5. Each partial prepayment under this Section shall be in a minimum amount of \$1,000,000 (\$500,000 in the case of ABR Advances and Swing Line Loans) or an integral multiple of \$1,000,000 (\$100,000 in the case of ABR Advances and Swing Line Loans) in excess thereof.

(b) *Caremark Merger Prepayment.* In the event that the Borrower borrows Loans hereunder in anticipation of the proposed direct or indirect financing in part of the consideration paid or to be paid to the Caremark shareholders in connection with the Caremark Merger, including any dividends paid or to be paid to the Caremark shareholders (which may include a borrowing for the purpose of refunding Caremark Merger Anticipatory Commercial Paper), and the closing of the Caremark Merger does not occur within four Business Days after such borrowing, then the Borrower shall prepay such Loans in full no later than the fifth Business Day following such borrowing.

(c) *In General.* Simultaneously with each prepayment hereunder, the Borrower shall prepay all accrued interest on the amount prepaid through the date of prepayment and indemnify the Lenders in accordance with Section 3.5.

2.8 *Letter of Credit Sub-facility*

(a) Subject to the terms and conditions hereof and the payment by the Borrower to the Issuer of such fees as the Borrower and the Issuer shall have agreed in writing, the Issuer agrees, in reliance on the agreement of the other Lenders set forth in Section 2.9, to issue standby letters of credit (each a “*Letter of Credit*” and, collectively, the “*Letters of Credit*”) during the Commitment Period for the account of the Borrower, *provided that* immediately after the issuance of each Letter of Credit (i) the Letter of Credit Exposure of all Lenders shall not exceed the Letter of Credit Commitment, and (ii) the Aggregate Credit Exposure shall not exceed the Aggregate Commitment Amount. Each Letter of Credit shall have an expiration date which shall be not later than the earlier to occur of one year from the date of issuance thereof or 5 days prior to the Commitment Termination Date. No Letter of Credit shall be issued if the Administrative Agent, or any Lender by notice to the Administrative Agent and the Issuer no later than 3:00 P.M. one Domestic Business Day prior to the requested date of issuance of such Letter of Credit, shall have determined that the conditions set forth in Sections 5 and/or 6, as applicable have not been satisfied.

(b) Each Letter of Credit shall be issued for the account of the Borrower in support of an obligation of the Borrower in favor of a beneficiary who has requested the Issuance of such Letter of Credit as a condition to a transaction entered into in connection with the Borrower's ordinary course of business. The Borrower shall give the Administrative Agent a Letter of Credit Request for the issuance of each Letter of Credit by 12:00 Noon at least two Domestic Business Days prior to the requested date of issuance. Such Letter of Credit Request shall be accompanied by the Issuer's standard Application and Agreement for Standby Letter of Credit (each a "*Reimbursement Agreement*") executed by the Borrower, and shall specify (i) the beneficiary of such Letter of Credit and the obligations of the Borrower in respect of which such Letter of Credit is to be issued, (ii) the Borrower's proposal as to the conditions under which a drawing may be made under such Letter of Credit and the documentation to be required in respect thereof, (iii) the maximum amount to be available under such Letter of Credit, and (iv) the requested date of issuance. Upon receipt of such Letter of Credit Request from the Borrower, the Administrative Agent shall promptly notify the Issuer and each other Lender thereof. The Issuer shall, on the proposed date of issuance and subject to the other terms and conditions of this Agreement, issue the requested Letter of Credit. Each Letter of Credit shall be in form and substance reasonably satisfactory to the Issuer, with such provisions with respect to the conditions under which a drawing may be made thereunder and the documentation required in respect of such drawing as the Issuer shall reasonably require. Each Letter of Credit shall be used solely for the purposes described therein.

(c) Each payment by the Issuer of a draft drawn under a Letter of Credit shall give rise to the obligation of the Borrower to immediately reimburse the Issuer for the amount thereof. The Issuer shall promptly notify the Borrower of such payment by the Issuer of a draft drawn under a Letter of Credit, but any failure to so notify shall not in any manner affect the obligation of the Borrower to make reimbursement when due. In lieu of such notice, if the Borrower has not made reimbursement prior to the end of the Domestic Business Day when due, the Borrower hereby authorizes the Issuer to deduct the amount of any such reimbursement from such account(s) as the Borrower may from time to time designate in writing to the Issuer, upon which the Issuer shall apply the amount of such deduction to such reimbursement. If all or any portion of any reimbursement obligation in respect of a Letter of Credit shall not be paid when due (whether at the stated maturity thereof, by acceleration or otherwise), such overdue amount shall bear interest, payable upon demand, at a rate per annum equal to the Alternate Base Rate *plus* the Applicable Margin applicable to ABR Advances *plus* 2%, from the date of such nonpayment until paid in full (whether before or after the entry of a judgment thereon).

2.9 *Letter of Credit Participation*

(a) Each Lender hereby unconditionally and irrevocably, severally (and not jointly) takes an undivided participating interest in the obligations of the Issuer under and in connection with each Letter of Credit in an amount equal to such Lender's Commitment Percentage of the amount of such Letter of Credit. Each Lender shall be liable to the Issuer for its Commitment Percentage of the unreimbursed amount of any draft drawn and honored under each Letter of Credit. Each Lender shall also be liable for an amount equal to the product of its Commitment Percentage and any amounts paid by the Borrower pursuant to Sections 2.8 and 2.10 that are subsequently rescinded or avoided, or must otherwise be restored or returned. Such

liabilities shall be unconditional and without regard to the occurrence of any Default or Event of Default or the compliance by the Borrower with any of its obligations under the Loan Documents.

(b) The Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender (which notice shall be promptly confirmed in writing), of the date and the amount of each draft paid under each Letter of Credit with respect to which full reimbursement payment shall not have been made by the Borrower as provided in Section 2.8(c), and forthwith upon receipt of such notice, such Lender shall promptly make available to the Administrative Agent for the account of the Issuer its Commitment Percentage of the amount of such unreimbursed draft at the office of the Administrative Agent specified in Section 11.2 in lawful money of the United States and in immediately available funds. The Administrative Agent shall distribute the payments made by each Lender pursuant to the immediately preceding sentence to the Issuer promptly upon receipt thereof in like funds as received. Each Lender shall indemnify and hold harmless the Administrative Agent and the Issuer from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from any failure on the part of such Lender to provide, or from any delay in providing, the Administrative Agent with such Lender's Commitment Percentage of the amount of any payment made by the Issuer under a Letter of Credit in accordance with this clause (b) above (except in respect of losses, liabilities or other obligations suffered by the Administrative Agent or the Issuer, as the case may be, resulting from the gross negligence or willful misconduct of the Administrative Agent or the Issuer, as the case may be). If a Lender does not make available to the Administrative Agent when due such Lender's Commitment Percentage of any unreimbursed payment made by the Issuer under a Letter of Credit, such Lender shall be required to pay interest to the Administrative Agent for the account of the Issuer on such Lender's Commitment Percentage of such payment at a rate of interest per annum equal to (i) from the date such Lender should have made such amount available until the third day therefrom, the Federal Funds Effective Rate, and (ii) thereafter, the Federal Funds Effective Rate *plus* 2%, in each case payable upon demand by the Issuer. The Administrative Agent shall distribute such interest payments to the Issuer upon receipt thereof in like funds as received.

(c) Whenever the Administrative Agent is reimbursed by the Borrower, for the account of the Issuer, for any payment under a Letter of Credit and such payment relates to an amount previously paid by a Lender in respect of its Commitment Percentage of the amount of such payment under such Letter of Credit, the Administrative Agent (or the Issuer, if such payment by a Lender was paid by the Administrative Agent to the Issuer) will promptly pay over such payment to such Lender.

2.10 *Absolute Obligation with respect to Letter of Credit Payments*

The Borrower's obligation to reimburse the Administrative Agent for the account of the Issuer for each payment under or in respect of each Letter of Credit shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the beneficiary of such Letter

of Credit, the Administrative Agent, the Issuer, the Swing Line Lender, any Lender or any other Person, including, without limitation, any defense based on the failure of any drawing to conform to the terms of such Letter of Credit, any drawing document proving to be forged, fraudulent or invalid, or the legality, validity, regularity or enforceability of such Letter of Credit, *provided* that, with respect to any Letter of Credit, the foregoing shall not relieve the Issuer of any liability it may have to the Borrower for any actual damages sustained by the Borrower arising from a wrongful payment (or failure to pay) under such Letter of Credit made as a result of the Issuer's gross negligence or willful misconduct.

2.11 *Notes*

Any Lender may request that the Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Person or, if requested by such Person, such Person and its registered assigns. Thereafter, all Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 11.7) be represented by a Note in like form payable to the order of the payee named therein and its registered assigns.

3. *PROCEEDS, PAYMENTS, CONVERSIONS, INTEREST, YIELD PROTECTION AND FEES*

3.1 *Disbursement of the Proceeds of the Loans*

The Administrative Agent shall disburse the proceeds of the Loans (other than the Swing Line Loans) at its office specified in Section 11.2 by crediting to the Borrower's general deposit account with the Administrative Agent the funds received from each Lender. Unless the Administrative Agent shall have received prior notice from a Lender (by telephone or otherwise, such notice to be confirmed by fax or other writing) that such Lender will not make available to the Administrative Agent such Lender's Commitment Percentage of the Revolving Credit Loans, or the amount of any Competitive Bid Loan, to be made by it on a Borrowing Date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such Borrowing Date in accordance with this Section, *provided* that, in the case of a Revolving Credit Loan, such Lender received notice thereof from the Administrative Agent in accordance with the terms hereof, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such Borrowing Date a corresponding amount. If and to the extent such Lender shall not have so made such amount available to the Administrative Agent, such Lender and the Borrower severally agree to pay to the Administrative Agent, forthwith on demand, such corresponding amount (to the extent not previously paid by the other), together with interest thereon for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Administrative Agent, at a rate per annum equal to, in the case of the Borrower, the applicable interest rate set forth in Section 3.4(a) and, in the case of such Lender, the Federal Funds Effective Rate from the date such payment is due until the third day after such date and, thereafter, at the Federal Funds Effective Rate *plus* 2%. Any such payment by the Borrower shall be without prejudice to its rights against such Lender. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such

Lender's Loan as part of such Loans for purposes of this Agreement, which Loan shall be deemed to have been made by such Lender on the Borrowing Date applicable to such Loans.

3.2 Payments

(a) Each payment, including each prepayment, of principal and interest on the Loans and of the Facility Fee, the Utilization Fee and the Letter of Credit Participation Fee (collectively, together with all of the other fees to be paid to the Administrative Agent, the Lenders, the Issuer and the Swing Line Lender in connection with the Loan Documents, the "*Fees*"), and of all of the other amounts to be paid to the Administrative Agent and the Lenders in connection with the Loan Documents shall be made by the Borrower to the Administrative Agent at its office specified in Section 11.2 without setoff, deduction or counterclaim in funds immediately available in New York by 3:00 P.M. on the due date for such payment. The failure of the Borrower to make any such payment by such time shall not constitute a default hereunder, *provided* that such payment is made on such due date, but any such payment made after 3:00 P.M. on such due date shall be deemed to have been made on the next Domestic Business Day or Eurodollar Business Day, as the case may be, for the purpose of calculating interest on amounts outstanding on the Loans. If the Borrower has not made any such payment prior to 3:00 P.M., the Borrower hereby authorizes the Administrative Agent to deduct the amount of any such payment from such account(s) as the Borrower may from time to time designate in writing to the Administrative Agent, upon which the Administrative Agent shall apply the amount of such deduction to such payment. Promptly upon receipt thereof by the Administrative Agent, each payment of principal and interest on the: (i) Revolving Credit Loans shall be remitted by the Administrative Agent in like funds as received to each Lender (a) first, pro rata according to the amount of interest which is then due and payable to the Lenders, and (b) second, pro rata according to the amount of principal which is then due and payable to the Lenders, (ii) Competitive Bid Loans shall be remitted by the Administrative Agent in like funds as received to each applicable Lender and (iii) Swing Line Loans shall be remitted by the Administrative Agent in like funds as received to the Swing Line Lender. Each payment of the Facility Fee and the Letter of Credit Participation Fee payable to the Lenders shall be promptly transmitted by the Administrative Agent in like funds as received to each Lender pro rata according to such Lender's Commitment Amount or, if the Commitments shall have terminated or been terminated, according to the outstanding principal amount of such Lender's Revolving Credit Loans. Each payment of the Utilization Fee payable to the Lenders shall be promptly transmitted by the Administrative Agent in like funds as received to each Lender in accordance with Section 3.11(b).

(b) If any payment hereunder or under the Loans shall be due and payable on a day which is not a Domestic Business Day or Eurodollar Business Day, as the case may be, the due date thereof (except as otherwise provided in the definition of Eurodollar Interest Period or Competitive Interest Period) shall be extended to the next Domestic Business Day or Eurodollar Business Day, as the case may be, and (except with respect to payments in respect of the Facility Fee, the Utilization Fee and the Letter of Credit Participation Fee) interest shall be payable at the applicable rate specified herein during such extension.

(a) The Borrower may elect at any time and from time to time to Convert one or more Eurodollar Advances to an ABR Advance by giving the Administrative Agent at least one Domestic Business Day's prior irrevocable notice of such election, specifying the amount to be so Converted. In addition, the Borrower may elect at any time and from time to time to Convert an ABR Advance to any one or more new Eurodollar Advances or to Convert any one or more existing Eurodollar Advances to any one or more new Eurodollar Advances by giving the Administrative Agent no later than 10:00 a.m. at least two Eurodollar Business Days' prior irrevocable notice, in the case of a Conversion to Eurodollar Advances, of such election, specifying the amount to be so Converted and the initial Interest Period relating thereto, *provided* that any Conversion of an ABR Advance to Eurodollar Advances shall only be made on a Eurodollar Business Day. The Administrative Agent shall promptly provide the Lenders with notice of each such election. Each Conversion of Loans from one Type to another shall be made pro rata according to the outstanding principal amount of the Loans of each Lender. ABR Advances and Eurodollar Advances may be Converted pursuant to this Section in whole or in part, *provided* that the amount to be Converted to each Eurodollar Advance, when aggregated with any Eurodollar Advance to be made on such date in accordance with Section 2.1 and having the same Interest Period as such first Eurodollar Advance, shall equal no less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall have no right to elect to Convert any existing ABR Advance to a new Eurodollar Advance or to Convert any existing Eurodollar Advance to a new Eurodollar Advance. In such event, such ABR Advance shall be automatically continued as an ABR Advance or such Eurodollar Advance shall be automatically Converted to an ABR Advance on the last day of the Interest Period applicable to such Eurodollar Advance. The foregoing shall not affect any other rights or remedies that the Administrative Agent or any Lender may have under this Agreement or any other Loan Document.

(c) Each Conversion shall be effected by each Lender by applying the proceeds of each new ABR Advance or Eurodollar Advance, as the case may be, to the existing Advance (or portion thereof) being Converted (it being understood that such Conversion shall not constitute a borrowing for purposes of Sections 4, 5 or 6).

(d) Notwithstanding any other provision of any Loan Document:

(i) if the Borrower shall have failed to elect a Eurodollar Advance under Section 2.3 or this Section 3.3, as the case may be, in connection with any borrowing of new Revolving Credit Loans or expiration of an Interest Period with respect to any existing Eurodollar Advance, the amount of the Revolving Credit Loans subject to such borrowing or such existing Eurodollar Advance shall thereafter be an ABR Advance until such time, if any, as the Borrower shall elect a new Eurodollar Advance pursuant to this Section 3.3,

(ii) the Borrower shall not be permitted to select a Eurodollar Advance the Interest Period in respect of which ends later than the Commitment Termination Date or such earlier date upon which all of the Commitments shall have been terminated in accordance with Section 2.6, and

(iii) the Borrower shall not be permitted to have more than 15 Eurodollar Advances and Competitive Bid Loans, in the aggregate, outstanding at any one time, it being understood and agreed that each borrowing of Eurodollar Advances or Competitive Bid Loans pursuant to a single Borrowing Request or Competitive Bid Request, as the case may be, shall constitute the making of one Eurodollar Advance or Competitive Bid Loan for the purpose of calculating such limitation.

3.4 *Interest Rates and Payment Dates*

(a) *Prior to Maturity.* Except as otherwise provided in Sections 3.4(b) and 3.4(c), the Loans shall bear interest on the unpaid principal balance thereof at the applicable interest rate or rates per annum set forth below:

LOANS	RATE
Revolving Credit Loans constituting ABR Advances	Alternate Base Rate applicable thereto <i>plus</i> the Applicable Margin.
Revolving Credit Loans constituting Eurodollar Advances	Eurodollar Rate applicable thereto <i>plus</i> the Applicable Margin.
Competitive Bid Loans	Fixed rate of interest applicable thereto accepted by the Borrower pursuant to Section 2.4(d).
Swing Line Loans	Negotiated Rate applicable thereto as provided in Section 2.2(a).

(b) *After Maturity, Late Payment Rate.* After maturity, whether by acceleration, notice of intention to prepay or otherwise, the outstanding principal balance of the Loans shall bear interest at the Alternate Base Rate *plus* 2% per annum until paid (whether before or after the entry of any judgment thereon). Any payment of principal, interest or any Fees not paid on the date when due and payable shall bear interest at the Alternate Base Rate *plus* 2% per annum from the due date thereof until the date such payment is made (whether before or after the entry of any judgment thereon).

(c) *Highest Lawful Rate.* Notwithstanding anything to the contrary contained in this Agreement, at no time shall the interest rate payable to any Lender on any of its Loans, together with the Fees and all other amounts payable hereunder to such Lender to the extent the same constitute or are deemed to constitute interest, exceed the Highest Lawful Rate. If in respect of any period during the term of this Agreement, any amount paid to any Lender

hereunder, to the extent the same shall (but for the provisions of this Section 3.4) constitute or be deemed to constitute interest, would exceed the maximum amount of interest permitted by the Highest Lawful Rate during such period (such amount being hereinafter referred to as an “Unqualified Amount”), then (i) such Unqualified Amount shall be applied or shall be deemed to have been applied as a prepayment of the Loans of such Lender, and (ii) if, in any subsequent period during the term of this Agreement, all amounts payable hereunder to such Lender in respect of such period which constitute or shall be deemed to constitute interest shall be less than the maximum amount of interest permitted by the Highest Lawful Rate during such period, then the Borrower shall pay to such Lender in respect of such period an amount (each a “Compensatory Interest Payment”) equal to the lesser of (x) a sum which, when added to all such amounts, would equal the maximum amount of interest permitted by the Highest Lawful Rate during such period, and (y) an amount equal to the aggregate sum of all Unqualified Amounts less all other Compensatory Interest Payments.

(d) *General.* Interest shall be payable in arrears on each Interest Payment Date, on the Commitment Termination Date and, to the extent provided in Section 2.7(c), upon each prepayment of the Loans. Any change in the interest rate on the Loans resulting from an increase or a decrease in the Alternate Base Rate or any reserve requirement shall become effective as of the opening of business on the day on which such change shall become effective. The Administrative Agent shall, as soon as practicable, notify the Borrower and the Lenders of the effective date and the amount of each change in the BNY Rate, but any failure to so notify shall not in any manner affect the obligation of the Borrower to pay interest on the Loans in the amounts and on the dates set forth herein. Each determination by the Administrative Agent of the Alternate Base Rate, the Eurodollar Rate and the Competitive Rate pursuant to this Agreement shall be conclusive and binding on the Borrower absent manifest error. The Borrower acknowledges that to the extent interest payable on the Loans is based on the Alternate Base Rate, such rate is only one of the bases for computing interest on loans made by the Lenders, and by basing interest payable on ABR Advances on the Alternate Base Rate, the Lenders have not committed to charge, and the Borrower has not in any way bargained for, interest based on a lower or the lowest rate at which the Lenders may now or in the future make extensions of credit to other Persons. All interest (other than interest calculated with reference to the BNY Rate) shall be calculated on the basis of a 360-day year for the actual number of days elapsed, and all interest determined with reference to the BNY Rate shall be calculated on the basis of a 365/366-day year for the actual number of days elapsed.

3.5 *Indemnification for Loss*

Notwithstanding anything contained herein to the contrary, if: (i) the Borrower shall fail to borrow a Eurodollar Advance or if the Borrower shall fail to Convert a Eurodollar Advance after it shall have given notice to do so in which it shall have requested a Eurodollar Advance pursuant to Section 2.3 or 3.3, as the case may be, (ii) the Borrower shall fail to borrow a Competitive Bid Loan after it shall have accepted any offer with respect thereto in accordance with Section 2.4 or a Swing Line Loan after it shall have agreed to a Negotiated Rate with respect thereto in accordance with Section 2.2(a), (iii) a Eurodollar Advance, Competitive Bid Loan or Swing Line Loan shall be terminated for any reason prior to the last day of the Interest Period applicable thereto (other than the termination of a Swing Line Loan resulting from a Mandatory Borrowing at a time when no Default or Event of Default shall exist), (iv) any repayment or prepayment of the principal amount of a Eurodollar Advance, Competitive Bid Loan or Swing Line Loan is made for any reason on a date which is prior to the last day of the Interest Period applicable thereto (other than the repayment or prepayment of a Swing Line Loan resulting from a Mandatory Borrowing at a time

when no Default or Event of Default shall exist), or (v) the Borrower shall have revoked a notice of prepayment or notice of termination of the Commitments, the Swing Line Commitment and the Letter of Credit Commitment that was conditioned upon the effectiveness of other credit facilities or the consummation of the issuance of long term Indebtedness or equity securities pursuant to Section 2.6 or 2.7, the Borrower agrees to indemnify each Lender against, and to pay on demand directly to such Lender the amount (calculated by such Lender using any method chosen by such Lender which is customarily used by such Lender for such purpose) equal to any loss or expense suffered by such Lender as a result of such failure to borrow or Convert, or such termination, repayment, prepayment or revocation, including any loss, cost or expense suffered by such Lender in liquidating or employing deposits acquired to fund or maintain the funding of such Eurodollar Advance, Competitive Bid Loan or Swing Line Loan, as the case may be, or redeploying funds prepaid or repaid, in amounts which correspond to such Eurodollar Advance, Competitive Bid Loan or Swing Line Loan, as the case may be, and any reasonable internal processing charge customarily charged by such Lender in connection therewith.

3.6 *Reimbursement for Costs, Etc.*

If at any time or from time to time there shall occur a Regulatory Change and the Issuer or any Lender shall have reasonably determined that such Regulatory Change (i) shall have had or will thereafter have the effect of reducing (A) the rate of return on the Issuer's or such Lender's capital or the capital of any Person directly or indirectly owning or controlling the Issuer or such Lender (each a "Control Person"), or (B) the asset value (for capital purposes) to the Issuer, such Lender or such Control Person, as applicable, of the Reimbursement Obligations, or any participation therein, or the Loans, or any participation therein, in any case to a level below that which the Issuer, such Lender or such Control Person could have achieved or would thereafter be able to achieve but for such Regulatory Change (after taking into account the Issuer's, such Lender's or such Control Person's policies regarding capital), (ii) will impose, modify or deem applicable any reserve, asset, special deposit or special assessment requirements on deposits obtained in the interbank eurodollar market in connection with the Loan Documents (excluding, with respect to any Eurodollar Advance, any such requirement which is included in the determination of the rate applicable thereto), (iii) will subject the Issuer, such Lender or such Control Person, as applicable, to any tax (documentary, stamp or otherwise) with respect to this Agreement, any Note, or any Reimbursement Agreement, or (iv) will change the basis of taxation of payments to the Issuer, such Lender or such Control Person, as applicable, of principal, interest or fees payable under the Loan Documents (except, in the case of clauses (iii) and (iv) above, for any tax or changes in the rate of tax on the Issuer's, such Lender's or such Control Person's net income) then, in each such case, within ten days after demand by the Issuer or such Lender, as applicable, the Borrower shall pay to the Issuer, such Lender or such Control Person, as the case may be, such additional amount or amounts as shall be sufficient to compensate the Issuer, such Lender or such Control Person, as the case may be, for any such reduction, reserve or other requirement, tax, loss, cost or expense (excluding general administrative and overhead costs) (collectively, "Costs") attributable to the Issuer's, such Lender's or such Control Person's

compliance during the term hereof with such Regulatory Change. The Issuer and each Lender may make multiple requests for compensation under this Section.

Notwithstanding the foregoing, the Borrower will not be required to compensate any Lender for any Costs under this Section 3.6 arising prior to 45 days preceding the date of demand, unless the applicable Regulatory Change giving rise to such Costs is imposed retroactively. In the case of retroactivity, such notice shall be provided to the Borrower not later than 45 days from the date that such Lender learned of such Regulatory Change. The Borrower's obligation to compensate such Lender shall be contingent upon the provision of such timely notice (but any failure by such Lender to provide such timely notice shall not affect the Borrower's obligations with respect to (i) Costs incurred from the date as of which such Regulatory Change became effective to the date that is 45 days after the date such Lender reasonably should have learned of such Regulatory Change and (ii) Costs incurred following the provision of such notice).

3.7 *Illegality of Funding*

Notwithstanding any other provision hereof, if any Lender shall reasonably determine that any law, regulation, treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any Eurodollar Advance as contemplated by this Agreement, such Lender shall promptly notify the Borrower and the Administrative Agent thereof, and (a) the commitment of such Lender to make such Eurodollar Advances or Convert ABR Advances to such Eurodollar Advances shall forthwith be suspended, (b) such Lender shall fund its portion of each requested Eurodollar Advance as an ABR Advance and (c) such Lender's Loans then outstanding as such Eurodollar Advances, if any, shall be Converted automatically to an ABR Advance on the last day of the then current Interest Period applicable thereto or at such earlier time as may be required. If the commitment of any Lender with respect to Eurodollar Advances is suspended pursuant to this Section and such Lender shall have obtained actual knowledge that it is once again legal for such Lender to make or maintain Eurodollar Advances, such Lender shall promptly notify the Administrative Agent and the Borrower thereof and, upon receipt of such notice by each of the Administrative Agent and the Borrower, such Lender's commitment to make or maintain Eurodollar Advances shall be reinstated. If the commitment of any Lender with respect to Eurodollar Advances is suspended pursuant to this Section, such suspension shall not otherwise affect such Lender's Commitment.

3.8 *Option to Fund; Substituted Interest Rate*

(a) Each Lender has indicated that, if the Borrower requests a Swing Line Loan, a Eurodollar Advance or a Competitive Bid Loan, such Lender may wish to purchase one or more deposits in order to fund or maintain its funding of its Commitment Percentage of such Eurodollar Advance or its Swing Line Loan or Competitive Bid Loan during the Interest Period with respect thereto; it being understood that the provisions of this Agreement relating to such funding are included only for the purpose of determining the rate of interest to be paid in respect of such Swing Line Loan, Eurodollar Advance or Competitive Bid Loan and any amounts owing under Sections 3.5 and 3.6. The Swing Line Lender and each Lender shall be entitled to fund and maintain its funding of all or any part of each Swing Line Loan, Eurodollar Advance and Competitive Bid Loan in any manner it sees fit, but all such determinations hereunder shall be

made as if such Lender had actually funded and maintained its Commitment Percentage of each Eurodollar Advance or its Swing Line Loan or Competitive Bid Loan, as the case may be, during the applicable Interest Period through the purchase of deposits in an amount equal to the amount of its Commitment Percentage of such Eurodollar Advance or the amount of such Swing Line Loan or Competitive Bid Loan, as the case may be, and having a maturity corresponding to such Interest Period. Each Lender may fund its Loans from or for the account of any branch or office of such Lender as such Lender may choose from time to time, subject to Section 3.10.

(b) In the event that (i) the Administrative Agent shall have determined in good faith (which determination shall be conclusive and binding upon the Borrower) that by reason of circumstances affecting the interbank eurodollar market either adequate and reasonable means do not exist for ascertaining the Eurodollar Rate applicable pursuant to Section 2.3 or Section 3.3, or (ii) the Required Lenders shall have notified the Administrative Agent that they have in good faith determined (which determination shall be conclusive and binding on the Borrower) that the applicable Eurodollar Rate will not adequately and fairly reflect the cost to such Lenders of maintaining or funding loans bearing interest based on such Eurodollar Rate with respect to any portion of the Loans that the Borrower has requested be made as Eurodollar Advances or any Eurodollar Advance that will result from the requested conversion of any portion of the Loans into Eurodollar Advances (each, an “*Affected Advance*”), the Administrative Agent shall promptly notify the Borrower and the Lenders (by telephone or otherwise, to be promptly confirmed in writing) of such determination on or, to the extent practicable, prior to the requested Borrowing Date or conversion date for such Affected Advances. If the Administrative Agent shall give such notice, (A) any Affected Advances shall be made as ABR Advances (or, subject to the terms and conditions hereof, Competitive Bid Loans), (B) the Loans (or any portion thereof) that were to have been Converted to Affected Advances shall be Converted to or continued as ABR Advances (or, subject to the terms and conditions hereof, Competitive Bid Loans), and (C) any outstanding Affected Advances shall be Converted, on the last day of the then current Interest Period with respect thereto, to ABR Advances (or, subject to the terms and conditions hereof, Competitive Bid Loans). Until any notice under clauses (i) or (ii), as the case may be, of this Section 3.8(b) has been withdrawn by the Administrative Agent (by notice to the Borrower) promptly upon either (x) the Administrative Agent having determined that such circumstances affecting the relevant market no longer exist and that adequate and reasonable means do exist for determining the Eurodollar Rate pursuant to Section 2.3 or Section 3.3, or (y) the Administrative Agent having been notified by such Required Lenders that circumstances no longer render the Loans (or any portion thereof) Affected Advances, no further Eurodollar Advances shall be required to be made by the Lenders nor shall the Borrower have the right to Convert all or any portion of the Loans to Eurodollar Advances.

3.9 *Certificates of Payment and Reimbursement*

Each Issuer and each Lender agrees, in connection with any request by it for payment or reimbursement pursuant to Section 3.5 or 3.6, to provide the Borrower with a certificate, signed by an officer of the Issuer or such Lender, as the case may be, setting forth a description in reasonable detail of any such payment or reimbursement. Each determination by the

Issuer and each Lender of such payment or reimbursement shall be conclusive absent manifest error.

3.10 *Taxes; Net Payments*

(a) All payments made by the Borrower under the Loan Documents shall be made free and clear of, and without reduction for or on account of, any taxes required by law to be withheld from any amounts payable under the Loan Documents. In the event that the Borrower is prohibited by law from making such payments free of deductions or withholdings, then the Borrower shall pay such additional amounts to the Administrative Agent, for the benefit of the Issuer and the Lenders, as may be necessary in order that the actual amounts received by the Issuer and the Lenders in respect of interest and any other amounts payable under the Loan Documents after deduction or withholding (and after payment of any additional taxes or other charges due as a consequence of the payment of such additional amounts) shall equal the amount that would have been received if such deduction or withholding were not required. In the event that any such deduction or withholding can be reduced or nullified as a result of the application of any relevant double taxation convention, the Lenders, the Issuer and the Administrative Agent will, at the expense of the Borrower, cooperate with the Borrower in making application to the relevant taxing authorities seeking to obtain such reduction or nullification, *provided* that the Lenders, the Issuer and the Administrative Agent shall have no obligation to (i) engage in any litigation, hearing or proceeding with respect thereto or (ii) disclose any tax return or other confidential information. If the Borrower shall make any payment under this Section or shall make any deduction or withholding from amounts paid under any Loan Document, the Borrower shall forthwith forward to the Administrative Agent original or certified copies of official receipts or other evidence acceptable to the Administrative Agent establishing each such payment, deduction or withholding, as the case may be, and the Administrative Agent in turn shall distribute copies thereof to the Issuer and each Lender. If any payment to the Issuer or any Lender under any Loan Document is or becomes subject to any withholding, the Issuer or such Lender, as the case may be, shall (unless otherwise required by a Governmental Authority or as a result of any law, rule, regulation, order or similar directive applicable to the Issuer or such Lender, as the case may be) designate a different office or branch to which such payment is to be made from that initially selected thereby, if such designation would avoid such withholding and would not be otherwise disadvantageous to the Issuer or such Lender, as the case may be, in any respect. In the event that the Issuer or any Lender determines that it received a refund or credit for taxes paid by the Borrower under this Section, the Issuer or such Lender, as the case may be, shall promptly notify the Administrative Agent and the Borrower of such fact and shall remit to the Borrower the amount of such refund or credit applicable to the payments made by the Borrower in respect of the Issuer or such Lender, as the case may be, under this Section.

(b) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under the Loan Documents shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Notwithstanding any provision herein to the contrary, the

Borrower shall have no obligation to pay to any Lender any amount which the Borrower is liable to withhold due to the failure of such Lender to file any statement of exemption required by the Internal Revenue Code.

3.11 Fees

(a) *Facility Fee.* The Borrower agrees to pay to the Administrative Agent for the pro rata account of each Lender a fee (the “*Facility Fee*”) during the period commencing on the earlier to occur of the Caremark Merger Effective Date and July 31, 2007 and ending on the Expiration Date, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the last day of the calendar quarter during which the Facility Fee shall commence to accrue, and on the Expiration Date, at a rate per annum equal to the Applicable Margin of (a) prior to the Commitment Termination Date or such earlier date upon which all of the Commitments shall have been terminated in accordance with Section 2.6, the Commitment Amount of such Lender (whether used or unused), and (b) thereafter, the sum of (i) the outstanding principal balance of all Revolving Credit Loans of such Lender, (ii) such Lender’s Swing Line Exposure and (iii) such Lender’s Letter of Credit Exposure. Notwithstanding anything to the contrary contained in this Section, on and after the Commitment Termination Date, the Facility Fee shall be payable upon demand. In addition, upon each reduction of the Aggregate Commitment Amount, the Borrower shall pay the Facility Fee accrued on the amount of such reduction through the date of such reduction. The Facility Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(b) *Utilization Fee.* The Borrower agrees to pay to the Administrative Agent for the account of each Lender a fee (the “*Utilization Fee*”) for each day during the period commencing on the Effective Date and ending on the Expiration Date (or, if later, the date when the Committed Credit Exposure of such Lender is \$0) that the sum of (i) the Aggregate Credit Exposure, (ii) the Aggregate Credit Exposure (as defined in the Existing 2004 Five Year Credit Agreement), (iii) the Aggregate Credit Exposure (as defined in the Existing 2005 Five Year Credit Agreement), (iv) the Aggregate Credit Exposure (as defined in the Existing 2006 Five Year Credit Agreement) and (v) the Aggregate Credit Exposure (as defined in the 2007 Five Year Credit Agreement) on such date exceeds 50% of the sum of (i) the Aggregate Commitment Amount, (ii) the Aggregate Commitment Amount (as defined in the Existing 2004 Five Year Credit Agreement), (iii) the Aggregate Commitment Amount (as defined in the Existing 2005 Five Year Credit Agreement), (iv) the Aggregate Commitment Amount (as defined in the Existing 2006 Five Year Credit Agreement) and (v) the Aggregate Commitment Amount (as defined in the 2007 Five Year Credit Agreement) on such date, payable on each Interest Payment Date (other than an Interest Payment Date applicable solely to Competitive Bid Loans) or if Letters of Credit are outstanding, but no Revolving Credit Loans or Swing Line Loans are outstanding, payable on each date that the Letter of Credit Participation Fee is payable, at a rate per annum equal to the Applicable Margin of the sum of (i) the Committed Credit Exposure of such Lender, (ii) the Committed Credit Exposure (as defined in the Existing 2004 Five Year Credit Agreement) of such Lender, (iii) the Committed Credit Exposure (as defined in the Existing 2005 Five Year Credit Agreement) of such Lender, (iv) the Committed Credit Exposure (as defined in the Existing 2006 Five Year Credit Agreement) and (v) the Committed Credit Exposure (as defined in the 2007 Five Year Credit Agreement) of such Lender on such date, less

the sum of (i) the Utilization Fee (as defined in the Existing 2004 Five Year Credit Agreement), (ii) the Utilization Fee (as defined in the Existing 2005 Five Year Credit Agreement), (iii) the Utilization Fee (as defined in the Existing 2006 Five Year Credit Agreement) and (iv) the Utilization Fee (as defined in the 2007 Five Year Credit Agreement), in each case payable to such Lender for such day. Notwithstanding anything to the contrary contained in this Section, on and after the Commitment Termination Date, the Utilization Fee shall be payable upon demand. The Utilization Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

3.12 *Letter of Credit Participation Fee*

The Borrower agrees to pay to the Administrative Agent for the pro rata account of each Lender a fee (the “*Letter of Credit Participation Fee*”) with respect to the Letters of Credit during the period commencing on the Effective Date and ending on the Commitment Termination Date or, if later, the date when the Letter of Credit Exposure of all Lenders is \$0, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the last day of the calendar quarter in which the Effective Date shall have occurred, and on the last date of such period, at a rate per annum equal to the Applicable Margin of the average daily aggregate amount which may be drawn under the Letters of Credit during such period (whether or not the conditions for drawing thereunder have or may be satisfied) multiplied by such Lender’s Commitment Percentage. The Letter of Credit Participation Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

3.13 *Replacement of Lender*

If the Borrower is obligated to pay to any Lender any amount under Section 3.6 or 3.10, the Borrower shall have the right within 90 days thereafter, in accordance with the requirements of Section 11.7(b), if no Default or Event of Default shall exist, to replace such Lender (the “*Replaced Lender*”) with one or more other assignees (each a “*Replacement Lender*”), reasonably acceptable to the Swing Line Lender and the Issuer, *provided* that (i) at the time of any replacement pursuant to this Section, the Replacement Lender shall enter into one or more Assignment and Acceptance Agreements pursuant to Section 11.7(b) (with the processing and recordation fee referred to in Section 11.7(b) payable pursuant to said Section 11.7(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire the Commitment, the outstanding Loans, the Swing Line Exposure and the Letter of Credit Exposure of the Replaced Lender and, in connection therewith, shall pay the following: (a) to the Replaced Lender, an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans and Swing Line Participation Amounts of the Replaced Lender, (B) an amount equal to all drawings on all Letters of Credit that have been funded by (and not reimbursed to) such Replaced Lender, together with all then unpaid interest with respect thereto at such time, and (C) an amount equal to all accrued, but unpaid, fees owing to the Replaced Lender, (b) to the Issuer, an amount equal to such Replaced Lender’s Commitment Percentage of all drawings (which at such time remain unpaid drawings) to the extent such amount was not funded by such Replaced Lender, (c) to the Swing Line Lender, an amount equal to such Replaced Lender’s Commitment Percentage of any Mandatory Borrowing to the extent such amount was not funded by such Replaced Lender, and (d) to the Administrative Agent an amount equal to all

amounts owed by such Replaced Lender to the Administrative Agent under this Agreement, including, without limitation, an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender, a corresponding amount of which was made available by the Administrative Agent to the Borrower pursuant to Section 3.1 and which has not been repaid to the Administrative Agent by such Replaced Lender or the Borrower, and (ii) all obligations of the Borrower owing to the Replaced Lender (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement. Upon the execution of the respective Assignment and Acceptance Agreements and the payment of amounts referred to in clauses (i) and (ii) of this Section 3.13, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement that are intended to survive the termination of the Commitments and the repayment of the Loans.

4. *REPRESENTATIONS AND WARRANTIES*

In order to induce the Administrative Agent, the Lenders and the Issuer to enter into this Agreement, the Lenders to make the Loans and the Issuer to issue Letters of Credit, the Borrower hereby makes the following representations and warranties to the Administrative Agent, the Lenders and the Issuer:

4.1 *Existence and Power*

Each of the Borrower and the Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation (except, in the case of the Subsidiaries, where the failure to be in such good standing could not reasonably be expected to have a Material Adverse effect), has all requisite corporate power and authority to own its Property and to carry on its business as now conducted, and is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it owns or leases real Property or in which the nature of its business requires it to be so qualified (except those jurisdictions where the failure to be so qualified or to be in good standing could not reasonably be expected to have a Material Adverse effect).

4.2 *Authority*

The Borrower has full corporate power and authority to enter into, execute, deliver and perform the terms of the Loan Documents, all of which have been duly authorized by all proper and necessary corporate action and are not in contravention of any applicable law or the terms of its Certificate of Incorporation and By-Laws. No consent or approval of, or other action by, shareholders of the Borrower, any Governmental Authority, or any other Person (which has not already been obtained) is required to authorize in respect of the Borrower, or is required in connection with the execution, delivery, and performance by the Borrower of the Loan Documents or is required as a condition to the enforceability of the Loan Documents against the Borrower.

4.3 *Binding Agreement*

The Loan Documents constitute the valid and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles relating to the availability of specific performance as a remedy.

4.4 *Litigation*

As at February 2, 2007, there were no actions, suits, arbitration proceedings or claims (whether purportedly on behalf of the Borrower, any Subsidiary or otherwise) pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary or any of their respective Properties, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse effect. There are no proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary (a) which call into question the validity or enforceability of any Loan Document, or otherwise seek to invalidate, any Loan Document, or (b) which might, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document (it being understood that the Caremark Merger is not a transaction contemplated by any Loan Document for purposes of this clause (b)).

4.5 *No Conflicting Agreements*

(a) Neither the Borrower nor any Subsidiary is in default under any agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse effect. No notice to, or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Borrower of the Loan Documents.

(b) No provision of any existing material mortgage, material indenture, material contract or material agreement or of any existing statute, rule, regulation, judgment, decree or order binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance by the Borrower of the terms of, any Loan Document. The execution, delivery or performance by the Borrower of the terms of each Loan Document will not constitute a default under, or result in the creation or imposition of, or obligation to create, any Lien upon the Property of the Borrower or any Subsidiary pursuant to the terms of any such mortgage, indenture, contract or agreement.

4.6 *Taxes*

The Borrower and each Subsidiary has filed or caused to be filed all tax returns, and has paid, or has made adequate provision for the payment of, all taxes shown to be due and payable on said returns or in any assessments made against them, the failure of which to file or pay could reasonably be expected to have a Material Adverse effect, and no tax Liens (other than Liens

permitted under Section 8.2) have been filed against the Borrower or any Subsidiary and no claims are being asserted with respect to such taxes which are required by GAAP to be reflected in the Financial Statements and are not so reflected, except for taxes which have been assessed but which are not yet due and payable. The charges, accruals and reserves on the books of the Borrower and each Subsidiary with respect to all federal, state, local and other taxes are considered by the management of the Borrower to be adequate, and the Borrower knows of no unpaid assessment which (a) could reasonably be expected to have a Material Adverse effect, or (b) is or might be due and payable against it or any Subsidiary or any Property of the Borrower or any Subsidiary, except such thereof as are being contested in good faith and by appropriate proceedings diligently conducted, and for which adequate reserves have been set aside in accordance with GAAP or which have been assessed but are not yet due and payable.

4.7 *Compliance with Applicable Laws; Filings*

Neither the Borrower nor any Subsidiary is in default with respect to any judgment, order, writ, injunction, decree or decision of any Governmental Authority which default could reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary is complying with all applicable statutes, rules and regulations of all Governmental Authorities, a violation of which could reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary has filed or caused to be filed with all Governmental Authorities all reports, applications, documents, instruments and information required to be filed pursuant to all applicable laws, rules, regulations and requests which, if not so filed, could reasonably be expected to have a Material Adverse effect.

4.8 *Governmental Regulations*

Neither the Borrower nor any Subsidiary nor any corporation controlling the Borrower or any Subsidiary or under common control with the Borrower or any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, or is subject to any statute or regulation which regulates the incurrence of Indebtedness.

4.9 *Federal Reserve Regulations; Use of Proceeds*

The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended. No part of the proceeds of the Loans or the Letters of Credit has been or will be used, directly or indirectly, and whether immediately, incidentally or ultimately, for a purpose which violates any law, rule or regulation of any Governmental Authority, including, without limitation, the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as amended. Anything in this Agreement to the contrary notwithstanding, neither the Issuer nor any Lender shall be obligated to extend credit to or on behalf of the Borrower in violation of any limitation or prohibition provided by any applicable law, regulation or statute, including said Regulation U. Following application of the proceeds of each Loan and the issuance of each Letter of Credit, not more than 25% (or such greater or lesser percentage as is provided in the exclusions from the definition of "Indirectly Secured" contained in said Regulation U as in effect at the time of the

making of such Loan or issuance of such Letter of Credit) of the value of the assets of the Borrower and the Subsidiaries on a Consolidated basis that are subject to Section 8.2 will be Margin Stock. In addition, no part of the proceeds of any Loan or Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, to make a loan to any director or executive officer of the Borrower or any Subsidiary.

4.10 *No Misrepresentation*

No representation or warranty contained in any Loan Document and no certificate or written report furnished by the Borrower to the Administrative Agent or any Lender pursuant to any Loan Document contains or will contain, as of its date, a misstatement of material fact, or omits or will omit to state, as of its date, a material fact required to be stated in order to make the statements therein contained not misleading in the light of the circumstances under which made (it being understood that the Borrower makes no representation or warranty hereunder with respect to any projections or other forward looking information).

4.11 *Plans*

Each Employee Benefit Plan of the Borrower, each Subsidiary and each ERISA Affiliate is in compliance with ERISA and the Internal Revenue Code, where applicable, except where the failure to so comply would not be material. The Borrower, each Subsidiary and each ERISA Affiliate have complied with the material requirements of Section 515 of ERISA with respect to each Pension Plan which is a Multiemployer Plan, except where the failure to so comply would not be material. The Borrower, each Subsidiary and each ERISA Affiliate has, as of the date hereof, made all contributions or payments to or under each Pension Plan required by law or the terms of such Pension Plan or any contract or agreement. No liability to the PBGC has been, or is reasonably expected by the Borrower, any Subsidiary or any ERISA Affiliate to be, incurred by the Borrower, any Subsidiary or any ERISA Affiliate. Liability, as referred to in this Section 4.11, includes any joint and several liability, but excludes any current or, to the extent it represents future liability in the ordinary course, any future liability for premiums under Section 4007 of ERISA. Each Employee Benefit Plan which is a group health plan within the meaning of Section 5000(b)(1) of the Internal Revenue Code is in material compliance with the continuation of health care coverage requirements of Section 4980B of the Internal Revenue Code and with the portability, nondiscrimination and other requirements of Sections 9801, 9802, 9803, 9811 and 9812 of the Internal Revenue Code.

4.12 *Environmental Matters*

Neither the Borrower nor any Subsidiary (a) has received written notice or otherwise learned of any claim, demand, action, event, condition, report or investigation indicating or concerning any potential or actual liability which individually or in the aggregate could reasonably be expected to have a Material Adverse effect, arising in connection with (i) any non-compliance with or violation of the requirements of any applicable federal, state or local environmental health or safety statute or regulation, or (ii) the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment, (b) to the best knowledge of the Borrower, has any threatened or actual liability in connection with the release or threatened

release of any toxic or hazardous waste, substance or constituent, or other substance into the environment which individually or in the aggregate could reasonably be expected to have a Material Adverse effect, (c) has received notice of any federal or state investigation evaluating whether any remedial action is needed to respond to a release or threatened release of any toxic or hazardous waste, substance or constituent or other substance into the environment for which the Borrower or any Subsidiary is or would be liable, which liability would reasonably be expected to have a Material Adverse effect, or (d) has received notice that the Borrower or any Subsidiary is or may be liable to any Person under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601 et seq., or any analogous state law, which liability would reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary is in compliance with the financial responsibility requirements of federal and state environmental laws to the extent applicable, including those contained in 40 C.F.R., parts 264 and 265, subpart H, and any analogous state law, except in those cases in which the failure so to comply would not reasonably be expected to have a Material Adverse effect.

4.13 Financial Statements

The Borrower has heretofore delivered to the Lenders through the Administrative Agent copies of the audited Consolidated Balance Sheet of the Borrower and its Subsidiaries as of December 30, 2006, and the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows for the fiscal year then ended. The financial statements referred to immediately above, including all related notes and schedules, are herein referred to collectively as the "*Financial Statements*". The Financial Statements fairly present the Consolidated financial condition and results of the operations of the Borrower and the Subsidiaries as of the dates and for the periods indicated therein and, except as noted therein, have been prepared in conformity with GAAP as then in effect. Neither the Borrower nor any of the Subsidiaries has any obligation or liability of any kind (whether fixed, accrued, contingent, unmatured or otherwise) which, in accordance with GAAP as then in effect, should have been disclosed in the Financial Statements and was not. During the period from December 30, 2006 to and including February 2, 2007 there was no Material Adverse change, including as a result of any change in law, in the consolidated financial condition, operations, business or Property of the Borrower and the Subsidiaries taken as a whole.

5. CONDITIONS OF LENDING - FIRST LOANS AND LETTERS OF CREDIT ON THE FIRST BORROWING DATE

In addition to the requirements set forth in Section 6, the obligation of each Lender on the first Borrowing Date to make one or more Revolving Credit Loans, the Swing Line Lender to make one or more Swing Line Loans, the Issuer to issue one or more Letters of Credit and any Lender to make a Competitive Bid Loan are subject to the fulfillment of the following conditions precedent prior to or simultaneously with the Effective Date:

5.1 Evidence of Corporate Action

The Administrative Agent shall have received a certificate, dated the Effective Date, of the Secretary or an Assistant Secretary of the Borrower (i) attaching a true and complete copy of

the resolutions of its Board of Directors and of all documents evidencing all other necessary corporate action (in form and substance reasonably satisfactory to the Administrative Agent) taken by the Borrower to authorize the Loan Documents and the transactions contemplated thereby, (ii) attaching a true and complete copy of its Certificate of Incorporation and By-Laws, (iii) setting forth the incumbency of the officer or officers of the Borrower who may sign the Loan Documents and any other certificates, requests, notices or other documents now or in the future required thereunder, and (iv) attaching a certificate of good standing of the Secretary of State of the State of Delaware.

5.2Notes

The Administrative Agent shall have received a Note for each Lender that shall have requested one, executed by the Borrower.

5.3Opinion of Counsel to the Borrower

The Administrative Agent shall have received:

- (a) an opinion of Zenon Lankowsky, counsel to the Borrower, dated the Effective Date, and in the form of Exhibit D-1; and
- (b) an opinion of Davis Polk & Wardwell, special counsel to the Borrower, dated the Effective Date, and in the form of Exhibit D-2.

6. CONDITIONS OF LENDING - ALL LOANS AND LETTERS OF CREDIT

The obligation of each Lender on any Borrowing Date to make each Revolving Credit Loan (other than a Revolving Credit Loan constituting a Mandatory Borrowing), the Swing Line Lender to make each Swing Line Loan, the Issuer to issue each Letter of Credit and any Lender to make a Competitive Bid Loan are subject to the fulfillment of the following conditions precedent:

6.1Compliance

On each Borrowing Date, and after giving effect to the Loans to be made or the Letters of Credit to be issued on such Borrowing Date, (a) there shall exist no Default or Event of Default, and (b) the representations and warranties contained in this Agreement shall be true and correct with the same effect as though such representations and warranties had been made on such Borrowing Date, except those which are expressly specified to be made as of an earlier date.

6.2Requests

The Administrative Agent shall have received either or both, as applicable, of a Borrowing Request or a Letter of Credit Request from the Borrower.

6.3 *Loan Closings*

All documents required by the provisions of this Agreement to have been executed or delivered by the Borrower to the Administrative Agent, any Lender or the Issuer on or before the applicable Borrowing Date shall have been so executed or delivered on or before such Borrowing Date.

7. *AFFIRMATIVE COVENANTS*

The Borrower covenants and agrees that on and after the Effective Date and until the later to occur of (a) the Commitment Termination Date and (b) the payment in full of the Loans, the Reimbursement Obligations, the Fees and all other sums payable under the Loan Documents, the Borrower will:

7.1 *Legal Existence*

Except as may otherwise be permitted by Sections 8.3 and 8.4, maintain, and cause each Subsidiary to maintain, its corporate existence in good standing in the jurisdiction of its incorporation or formation and in each other jurisdiction in which the failure so to do could reasonably be expected to have a Material Adverse effect, except that the corporate existence of Subsidiaries operating closing or discontinued operations may be terminated.

7.2 *Taxes*

Pay and discharge when due, and cause each Subsidiary so to do, all taxes, assessments, governmental charges, license fees and levies upon or with respect to the Borrower and such Subsidiary, and upon the income, profits and Property thereof unless, and only to the extent, that either (i)(a) such taxes, assessments, governmental charges, license fees and levies shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (b) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor, or (ii) the failure to pay or discharge such taxes, assessments, governmental charges, license fees and levies could not reasonably be expected to have a Material Adverse effect.

7.3 *Insurance*

Keep, and cause each Subsidiary to keep, insurance with responsible insurance companies in such amounts and against such risks as is usually carried by the Borrower or such Subsidiary.

7.4 *Performance of Obligations*

Pay and discharge promptly when due, and cause each Subsidiary so to do, all lawful Indebtedness, obligations and claims for labor, materials and supplies or otherwise which, if unpaid, could reasonably be expected to (a) have a Material Adverse effect, or (b) become a Lien on the Property of the Borrower or any Subsidiary, except those Liens permitted under Section 8.2, *provided* that neither the Borrower nor such Subsidiary shall be required to pay or discharge or

cause to be paid or discharged any such Indebtedness, obligation or claim so long as (i) the validity thereof shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor.

7.5Condition of Property

Except for ordinary wear and tear, at all times, maintain, protect and keep in good repair, working order and condition, all material Property necessary for the operation of its business (other than Property which is replaced with similar Property) as then being operated, and cause each Subsidiary so to do.

7.6Observance of Legal Requirements

Observe and comply in all material respects, and cause each Subsidiary so to do, with all laws, ordinances, orders, judgments, rules, regulations, certifications, franchises, permits, licenses, directions and requirements of all Governmental Authorities, which now or at any time hereafter may be applicable to it or to such Subsidiary, a violation of which could reasonably be expected to have a Material Adverse effect.

7.7Financial Statements and Other Information

Maintain, and cause each Subsidiary to maintain, a standard system of accounting in accordance with GAAP, and furnish to each Lender:

(a) As soon as available and, in any event, within 120 days after the close of each fiscal year, a copy of (x) the Borrower's 10-K in respect of such fiscal year, and (y) (i) the Borrower's Consolidated Balance Sheet as of the end of such fiscal year, and (ii) the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows, as of and through the end of such fiscal year, setting forth in each case in comparative form the corresponding figures in respect of the previous fiscal year, all in reasonable detail, and accompanied by a report of the Borrower's auditors, which report shall state that (A) such auditors audited such financial statements, (B) such audit was made in accordance with generally accepted auditing standards in effect at the time and provides a reasonable basis for such opinion, and (C) said financial statements have been prepared in accordance with GAAP;

(b) As soon as available, and in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of (x) the Borrower's 10-Q in respect of such fiscal quarter, and (y) (i) the Borrower's Consolidated Balance Sheet as of the end of such quarter and (ii) the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows for (A) such quarter and (B) the period from the beginning of the then current fiscal year to the end of such quarter, in each case in comparable form with the prior fiscal year, all in reasonable detail and prepared in accordance with GAAP (without footnotes and subject to year-end adjustments);

(c) Simultaneously with the delivery of the financial statements required by clauses (a) and (b) above, a certificate of the chief financial officer or treasurer of the Borrower

certifying that no Default or Event of Default shall have occurred or be continuing or, if so, specifying in such certificate all such Defaults and Events of Default, and setting forth computations in reasonable detail demonstrating compliance with Sections 8.1 and 8.9.

(d) Prompt notice upon the Borrower becoming aware of any change in a Pricing Level;

(e) Promptly upon becoming available, copies of all regular or periodic reports (including current reports on Form 8-K) which the Borrower or any Subsidiary may now or hereafter be required to file with or deliver to the Securities and Exchange Commission, or any other Governmental Authority succeeding to the functions thereof, and copies of all material news releases sent to all stockholders;

(f) Prompt written notice of: (i) any citation, summons, subpoena, order to show cause or other order naming the Borrower or any Subsidiary a party to any proceeding before any Governmental Authority which could reasonably be expected to have a Material Adverse effect, and include with such notice a copy of such citation, summons, subpoena, order to show cause or other order, (ii) any lapse or other termination of any license, permit, franchise or other authorization issued to the Borrower or any Subsidiary by any Governmental Authority, (iii) any refusal by any Governmental Authority to renew or extend any license, permit, franchise or other authorization, and (iv) any dispute between the Borrower or any Subsidiary and any Governmental Authority, which lapse, termination, refusal or dispute, referred to in clause (ii), (iii) or (iv) above, could reasonably be expected to have a Material Adverse effect;

(g) Prompt written notice of the occurrence of (i) each Default, (ii) each Event of Default and (iii) each Material Adverse change;

(h) Promptly upon receipt thereof, copies of any audit reports delivered in connection with the statements referred to in Section 7.7(a);

(i) From time to time, such other information regarding the financial position or business of the Borrower and the Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request; and

(j) Prompt written notice of such other information with documentation required by bank regulatory authorities under applicable “know your customer” and Anti-Money Laundering rules and regulations (including, without limitation, the Patriot Act), as from time to time may be reasonably requested by the Administrative Agent or any Lender.

7.8Records

Upon reasonable notice and during normal business hours, permit representatives of the Administrative Agent and each Lender to visit the offices of the Borrower and each Subsidiary, to examine the books and records (other than tax returns and work papers related to tax returns) thereof and auditors’ reports relating thereto, to discuss the affairs of the Borrower and each Subsidiary with the respective officers thereof, and to meet and discuss the affairs of the Borrower and each Subsidiary with the Borrower’s auditors.

Maintain and cause each Subsidiary to maintain, in full force and effect, all copyrights, patents, trademarks, trade names, franchises, licenses, permits, applications, reports, and other authorizations and rights, which, if not so maintained, would individually or in the aggregate have a Material Adverse effect.

8. *NEGATIVE COVENANTS*

The Borrower covenants and agrees that on and after the Effective Date and until the later to occur of (a) the Commitment Termination Date and (b) the payment in full of the Loans, the Reimbursement Obligations, the Fees and all other sums which are payable under the Loan Documents, the Borrower will not:

8.1 *Subsidiary Indebtedness*

Permit the Indebtedness of all Subsidiaries (excluding the ESOP Guaranty) to exceed (on a combined basis) 10% of Tangible Net Worth.

8.2 *Liens*

Create, incur, assume or suffer to exist any Lien against or on any Property now owned or hereafter acquired by the Borrower or any of the Subsidiaries, or permit any of the Subsidiaries so to do, except any one or more of the following types of Liens: (a) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA or the minimum funding obligations under Section 412 of the Code), (b) Liens to secure the performance of bids, tenders, letters of credit, contracts (other than contracts for the payment of Indebtedness), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature, in each such case arising in the ordinary course of business, (c) mechanics', workmen's, carriers', warehousemen's, materialmen's, landlords' or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate proceedings diligently conducted, (d) Liens for taxes, assessments, fees or governmental charges the payment of which is not required by Section 7.2, (e) easements, rights of way, restrictions, leases of Property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting Property which in the aggregate do not materially impair its use for the operation of the business of the Borrower or such Subsidiary, (f) Liens on Property of the Subsidiaries under capital leases and Liens on Property of the Subsidiaries acquired (whether as a result of purchase, capital lease, merger or other acquisition) and either existing on such Property when acquired, or created contemporaneously with or within 12 months of such acquisition to secure the payment or financing of the purchase price of such Property (including the construction, development, substantial repair, alteration or improvement thereof), and any renewals thereof, *provided* that such Liens attach only to the Property so purchased or acquired (including any such construction, development, substantial repair, alteration or improvement thereof) and *provided further* that the Indebtedness secured by such Liens is permitted by Section 8.1, (g) statutory Liens in favor of

lessors arising in connection with Property leased to the Borrower or any of the Subsidiaries, (h) Liens of attachments, judgments or awards against the Borrower or any of the Subsidiaries with respect to which an appeal or proceeding for review shall be pending or a stay of execution or bond shall have been obtained, or which are otherwise being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or such Subsidiary, (i) Liens securing Indebtedness of a Subsidiary to the Borrower or another Subsidiary, (j) Liens (other than Liens permitted by any of the foregoing clauses) arising in the ordinary course of its business which do not secure Indebtedness and do not, in the aggregate, materially detract from the value of the business of the Borrower and its Subsidiaries, taken as a whole, and (k) additional Liens securing Indebtedness of the Borrower and the Subsidiaries in an aggregate outstanding Consolidated principal amount not exceeding 10% of Tangible Net Worth.

8.3 Dispositions

Make any Disposition, or permit any of its Subsidiaries so to do, of all or substantially all of the assets of the Borrower and the Subsidiaries on a Consolidated basis.

8.4 Merger or Consolidation, Etc.

The Borrower will not consolidate with, be acquired by, or merge into or with any Person unless (x) immediately after giving effect thereto no Default or Event of Default shall or would exist and (y) either (i) the Borrower or (ii) a corporation organized and existing under the laws of one of the States of the United States of America shall be the survivor of such consolidation or merger, *provided* that if the Borrower is not the survivor, the corporation which is the survivor shall expressly assume, pursuant to an instrument executed and delivered to the Administrative Agent, and in form and substance satisfactory to the Administrative Agent, all obligations of the Borrower under the Loan Documents and the Administrative Agent shall have received such documents, opinions and certificates as it shall have reasonably requested in connection therewith.

8.5 Acquisitions

Make any Acquisition, or permit any of the Subsidiaries so to do, except any one or more of the following: (a) Intercompany Dispositions permitted by Section 8.3 and (b) Acquisitions by the Borrower or any of the Subsidiaries (including the Caremark Merger), *provided* that immediately before and after giving effect to each such Acquisition no Default or Event of Default shall or would exist.

8.6 Restricted Payments

Make any Restricted Payment or permit any of the Subsidiaries so to do, except any one or more of the following Restricted Payments: (a) any direct or indirect Subsidiary may make dividends or other distributions to the Borrower or to any other direct or indirect Subsidiary, and (b) the Borrower may make Restricted Payments, *provided* that, in the case of this clause (b), immediately before and after giving effect thereto, no Event of Default shall or would exist.

Nothing in this Section 8.6 shall prohibit or restrict the declaration or payment of dividends in respect of the Series One ESOP Convertible Preferred Stock of the Borrower.

8.7 Limitation on Upstream Dividends by Subsidiaries

Permit or cause any of the Subsidiaries to enter into or agree, or otherwise be or become subject, to any agreement, contract or other arrangement (other than this Agreement) with any Person (each a “*Restrictive Agreement*”) pursuant to the terms of which (a) such Subsidiary is or would be prohibited from declaring or paying any cash dividends on any class of its stock owned directly or indirectly by the Borrower or any of the other Subsidiaries or from making any other distribution on account of any class of any such stock (herein referred to as “*Upstream Dividends*”), or (b) the declaration or payment of Upstream Dividends by a Subsidiary to the Borrower or another Subsidiary, on an annual or cumulative basis, is or would be otherwise limited or restricted (“*Dividend Restrictions*”). Notwithstanding the foregoing, nothing in this Section 8.7 shall prohibit:

(i) Dividend Restrictions set forth in any Restrictive Agreement in effect on the date hereof and any extensions, refinancings, renewals or replacements thereof, *provided* that the Dividend Restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Lenders than those Dividend Restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(ii) Dividend Restrictions existing with respect to any Person acquired by the Borrower or any Subsidiary and existing at the time of such acquisition, which Dividend Restrictions are not applicable to any Person or the property or assets of any Person other than such Person or its property or assets acquired, and any extensions, refinancings, renewals or replacements of any of the foregoing, *provided* that the Dividend Restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Lenders than those Dividend Restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(iii) Dividend Restrictions consisting of customary net worth, leverage and other financial covenants, customary covenants regarding the merger of or sale of assets of a Subsidiary, customary restrictions on transactions with affiliates, and customary subordination provisions governing Indebtedness owed to the Borrower or any Subsidiary, in each case contained in, or required by, any agreement governing Indebtedness incurred by a Subsidiary in accordance with Section 8.1; or

(iv) Dividend Restrictions contained in any other credit agreement so long as such Dividend Restrictions are no more restrictive than those contained in this Agreement (including Dividend Restrictions contained in the Existing 2004 Five Year Credit Agreement, the Existing 2005 Five Year Credit Agreement, the Existing 2006 Five Year Credit Agreement, the 2007 Bridge Credit Agreement and the 2007 Five Year Credit Agreement).

8.8 *Limitation on Negative Pledges*

Enter into any agreement, other than (i) this Agreement, (ii) the 2007 Bridge Credit Agreement, (iii) the 2007 Five Year Credit Agreement, (iv) any other credit agreement that is substantially similar to this Agreement, and (v) purchase money mortgages or capital leases permitted by this Agreement (in which cases, any prohibition or limitation shall only be effective against the assets financed thereby), or permit any Subsidiary so to do, which prohibits or limits the ability of the Borrower or such Subsidiary to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired to secure the obligations of the Borrower hereunder.

8.9 *Ratio of Consolidated Indebtedness to Total Capitalization*

Permit its ratio of Consolidated Indebtedness to Total Capitalization at the end of any fiscal quarter to exceed 0.6 : 1.0.

8.10 *Caremark Merger*

(a) Amend the Caremark Merger Agreement if such amendment has the effect of (i) increasing the purchase price to be paid by the Borrower thereunder by a material amount, (ii) increasing the liabilities of the Borrower thereunder by a material amount, or (iii) decreasing the assets being acquired thereunder by the Borrower by a material amount, in each case, without the consent of the Administrative Agent.

(b) Waive any material condition to the obligations of the sellers under the Caremark Merger Agreement to consummate the transactions contemplated by the Caremark Merger Agreement without the consent of the Administrative Agent.

9. *DEFAULT*

9.1 *Events of Default*

The following shall each constitute an “*Event of Default*” hereunder:

(a) The failure of the Borrower to make any payment of principal on any Loan or any reimbursement payment in respect of any Letter of Credit when due and payable; or

(b) The failure of the Borrower to make any payment of interest on any Loan or of any Fee on any date when due and payable and such default shall continue unremedied for a period of 5 Domestic Business Days after the same shall be due and payable; or

(c) The failure of the Borrower to observe or perform any covenant or agreement contained in Sections 2.5, 7.1 or in Section 8; or

(d) The failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement, and such failure shall have continued unremedied for a period of 30 days after the Borrower shall have become aware of such failure; or

(e) An Event of Default (as defined in any Reimbursement Agreement) shall occur under any Reimbursement Agreement; or

(f) Any representation or warranty of the Borrower (or of any of its officers on its behalf) made in any Loan Document, or made in any certificate, report, opinion (other than an opinion of counsel) or other document delivered on or after the date hereof shall in any such case prove to have been incorrect or misleading (whether because of misstatement or omission) in any material respect when made; or

(g) (i) Obligations in an aggregate Consolidated amount in excess of \$25,000,000 of the Borrower (other than its obligations hereunder and under the Notes) and the Subsidiaries, whether as principal, guarantor, surety or other obligor, for the payment of any Indebtedness or any net liability under interest rate swap, collar, exchange or cap agreements, (A) shall become or shall be declared to be due and payable prior to the expressed maturity thereof, or (B) shall not be paid when due or within any grace period for the payment thereof, or (ii) any holder of any such obligations shall have the right to declare the Indebtedness evidenced thereby due and payable prior to its stated maturity; or

(h) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(i) The Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(j) The Borrower or any Subsidiary shall (i) suspend or discontinue its business (except for store closings in the ordinary course of business and except in connection with a permitted Disposition under Section 8.3 and as may otherwise be expressly permitted herein), or (ii) generally not be paying its debts as such debts become due, or (iii) admit in writing its inability to pay its debts as they become due; or

(k) Judgments or decrees in an aggregate Consolidated amount in excess of \$25,000,000 against the Borrower and the Subsidiaries shall remain unpaid, unstayed on appeal,

undischarged, unbonded or undismissed for a period of 60 days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment; or

(l) After the Effective Date a Change of Control shall occur; or

(m) (i) Any Termination Event shall occur (x) with respect to any Pension Plan (other than a Multiemployer Plan) or (y) with respect to any other retirement plan subject to Section 302 of ERISA or Section 412 of the Internal Revenue Code, which plan, during the five year period prior to such Termination Event, was the responsibility in whole or in part of the Borrower, any Subsidiary or any ERISA Affiliate, *provided* that this clause (y) shall only apply if, in connection with such Termination Event, it is reasonably likely that liability in an aggregate Consolidated amount in excess of \$25,000,000 will be imposed upon the Borrower, any Subsidiary or any ERISA Affiliate; (ii) any Accumulated Funding Deficiency, whether or not waived, in an aggregate Consolidated amount in excess of \$25,000,000 shall exist with respect to any Pension Plan (other than that portion of a Multiemployer Plan's Accumulated Funding Deficiency to the extent such Accumulated Funding Deficiency is attributable to employers other than Borrower, any Subsidiary or any ERISA Affiliate); (iii) any Person shall engage in any Prohibited Transaction involving any Employee Benefit Plan; (iv) the Borrower, any Subsidiary or any ERISA Affiliate shall fail to pay when due an amount which is payable by it to the PBGC or to a Pension Plan (including a Multiemployer Plan) under Title IV of ERISA; (v) the imposition of any tax under Section 4980(B)(a) of the Internal Revenue Code; or (vi) the assessment of a civil penalty with respect to any Employee Benefit Plan under Section 502(c) of ERISA; in each case, to the extent such event or condition would have a Material Adverse effect.

9.2 Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance of an Event of Default, the Administrative Agent, at the written request of the Required Lenders, shall notify the Borrower that the Commitments, the Swing Line Commitment and the Letter of Credit Commitment have been terminated and/or that all of the Loans, the Notes and the Reimbursement Obligations and all accrued and unpaid interest on any thereof and all other amounts owing under the Loan Documents have been declared immediately due and payable, *provided* that upon the occurrence of an Event of Default under Section 9.1(h), (i) or (j) with respect to the Borrower, the Commitments, the Swing Line Commitment and the Letter of Credit Commitment shall automatically terminate and all of the Loans, the Notes and the Reimbursement Obligations and all accrued and unpaid interest on any thereof and all other amounts owing under the Loan Documents shall become immediately due and payable without declaration or notice to the Borrower. To the fullest extent not prohibited by law, except for the notice provided for in the preceding sentence, the Borrower expressly waives any presentment, demand, protest, notice of protest or other notice of any kind in connection with the Loan Documents and its obligations thereunder. To the fullest extent not prohibited by law, the Borrower further expressly waives and covenants not to assert any appraisal, valuation, stay, extension, redemption or similar law, now or at any time hereafter in force which might delay, prevent or otherwise impede the performance or enforcement of the Loan Documents.

(b) In the event that the Commitments, the Swing Line Commitment and the Letter of Credit Commitment shall have been terminated or all of the Loans, the Notes and the Reimbursement Obligations shall have been declared due and payable pursuant to the provisions of this Section, (i) the Borrower shall forthwith deposit an amount equal to the Letter of Credit Exposure in a cash collateral account with and under the exclusive control of the Administrative Agent, and (ii) the Administrative Agent, the Issuer and the Lenders agree, among themselves, that any funds received from or on behalf of the Borrower under any Loan Document by the Issuer or any Lender (except funds received by the Issuer or any Lender as a result of a purchase from the Issuer or such Lender, as the case may be, pursuant to the provisions of Section 11.9(b)) shall be remitted to the Administrative Agent, and shall be applied by the Administrative Agent in payment of the Loans, the Reimbursement Obligations and the other obligations of the Borrower under the Loan Documents in the following manner and order: (1) first, to reimburse the Administrative Agent, the Issuer and the Lenders, in that order, for any expenses due from the Borrower pursuant to the provisions of Section 11.5 and the Reimbursement Agreements, (2) second, to the payment of the Fees, (3) third, to the payment of any expenses or amounts (other than the principal of and interest on the Loans and the Notes and the Reimbursement Obligations) payable by the Borrower to the Administrative Agent, the Issuer or any of the Lenders under the Loan Documents, (4) fourth, to the payment, pro rata according to the outstanding principal balance of the Loans and the Letter of Credit Exposure of each Lender, of interest due on the Loans and the Reimbursement Obligations, (5) fifth, to the payment, pro rata according to the sum of (A) the aggregate outstanding principal balance of the Loans of each Lender *plus* (B) the aggregate outstanding balance of the Reimbursement Obligations of each Lender, of the aggregate outstanding principal balance of the Loans and the aggregate outstanding balance of the Reimbursement Obligations, and (6) sixth, any remaining funds shall be paid to whosoever shall be entitled thereto or as a court of competent jurisdiction shall direct.

(c) In the event that the Loans and the Notes and the Reimbursement Obligations shall have been declared due and payable pursuant to the provisions of this Section 9.2, the Administrative Agent upon the written request of the Required Lenders, shall proceed to enforce the Reimbursement Obligations and the rights of the holders of the Loans and the Notes by suit in equity, action at law and/or other appropriate proceedings, whether for payment or the specific performance of any covenant or agreement contained in the Loan Documents. In the event that the Administrative Agent shall fail or refuse so to proceed, the Issuer and each Lender shall be entitled to take such action as the Required Lenders shall deem appropriate to enforce its rights under the Loan Documents.

10. *AGENT*

10.1 *Appointment*

Each Lender hereby irrevocably designates and appoints BNY as the Administrative Agent of such Lender under the Loan Documents and each Lender irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained in the Loan

Documents, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth in the Loan Documents, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against the Administrative Agent.

10.2 Delegation of Duties

The Administrative Agent may execute any of its duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to rely upon the advice of counsel concerning all matters pertaining to such duties, and shall not be liable for any action taken or omitted to be taken in good faith upon the advice of such counsel.

10.3 Exculpatory Provisions

None of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by the Administrative Agent or such Person under or in connection with the Loan Documents (except the Administrative Agent for its own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any party contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any of the Loan Documents or for any failure of the Borrower or any other Person to perform its obligations thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire into the observance or performance of any of the covenants or agreements contained in, or conditions of, the Loan Documents, or to inspect the Property, books or records of the Borrower or any Subsidiary. The Administrative Agent shall not be under any liability or responsibility to the Borrower or any other Person as a consequence of any failure or delay in performance, or any breach, by any Lender of any of its obligations under any of the Loan Documents. The Lenders acknowledge that the Administrative Agent shall not be under any duty to take any discretionary action permitted under the Loan Documents unless the Administrative Agent shall be requested in writing to do so by the Required Lenders.

10.4 Reliance by Administrative Agent

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, request, consent, certificate, affidavit, opinion, letter, cablegram, telegram, fax, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall not be under any duty to examine or pass upon the validity, effectiveness or genuineness of the Loan Documents or any instrument, document or communication furnished pursuant thereto or in connection therewith, and the Administrative Agent shall be entitled to assume that the same are valid, effective and genuine, have been signed or

sent by the proper parties and are what they purport to be. The Administrative Agent shall be fully justified in failing or refusing to take any action not expressly required under the Loan Documents unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Lenders or, if required by Section 11.1, all Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Borrower, all the Lenders and all future holders of the Notes.

10.5 Notice of Default

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent shall have received written notice thereof from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating such notice is a "Notice of Default." In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders, *provided* that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action or give such directions, or refrain from taking such action or giving such directions, with respect to such Default or Event of Default as it shall deem to be in the best interests of the Lenders.

10.6 Non-Reliance

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to such Lender and that no act by the Administrative Agent hereafter, including any review of the affairs of the Borrower or the Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that such Lender has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Borrower and the Subsidiaries and has made its own decision to enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, evaluations and decisions in taking or not taking action under the Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Borrower and the Subsidiaries. Each Lender acknowledges that a copy of this Agreement and all exhibits and schedules hereto have been made available to it and its individual counsel for review, and each Lender acknowledges that it is satisfied with the form and substance thereof. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business,

operations, Property, financial and other condition or creditworthiness of the Borrower or the Subsidiaries which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

10.7 Administrative Agent in Its Individual Capacity

BNY and each Affiliate thereof, may make loans to, accept deposits from, issue letters of credit for the account of and generally engage in any kind of business with the Borrower and the Subsidiaries as though it were not the Administrative Agent. With respect to the Commitment made or renewed by BNY and each Note issued to BNY (if any), BNY shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, the Issuer and the Swing Line Lender, and the term “Lender” shall include BNY.

10.8 Successor Administrative Agent

If at any time the Administrative Agent deems it advisable, in its sole discretion, it may submit to each Lender a written notification of its resignation as Administrative Agent under the Loan Documents, such resignation to be effective on the earlier to occur of (a) the thirtieth day after the date of such notice, and (b) the date upon which any successor to the Administrative Agent, in accordance with the provisions of this Section, shall have accepted in writing its appointment as successor Administrative Agent. Upon any such resignation, the Required Lenders shall have the right to appoint from among the Lenders a successor Administrative Agent, which successor Administrative Agent, *provided* that no Default or Event of Default shall then exist, shall be reasonably satisfactory to the Borrower. If no such successor Administrative Agent shall have been so appointed by the Required Lenders and accepted such appointment within 30 days after the retiring Administrative Agent’s giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor Administrative Agent shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the written acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall automatically become a party to this Agreement and shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent’s rights, powers, privileges and duties as Administrative Agent under the Loan Documents shall be terminated. The Borrower and the Lenders shall execute such documents as shall be necessary to effect such appointment. After any retiring Administrative Agent’s resignation as Administrative Agent, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent. If at any time there shall not be a duly appointed and acting Administrative Agent, upon notice duly given, the Borrower agrees to make each payment when due under the Loan Documents directly to the Lenders entitled thereto during such time.

The Co-Syndication Agents shall have no duties or obligations under the Loan Documents in their capacities as Co-Syndication Agents.

11. *OTHER PROVISIONS*

11.1*Amendments, Waivers, Etc.*

With the written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time, enter into written amendments, supplements or modifications of the Loan Documents and, with the written consent of the Required Lenders, the Administrative Agent on behalf of the Lenders may execute and deliver to any such parties a written instrument waiving or consenting to the departure from, on such terms and conditions as the Administrative Agent may specify in such instrument, any of the requirements of the Loan Documents or any Default or Event of Default and its consequences, *provided* that no such amendment, supplement, modification, waiver or consent shall (i) increase the Commitment Amount of any Lender without the consent of such Lender (*provided* that no waiver of a Default or Event of Default shall be deemed to constitute such an increase), (ii) extend the Commitment Period without the consent of each Lender directly affected thereby, (iii) reduce the amount, or extend the time of payment, of the Fees without the consent of each Lender directly affected thereby, (iv) reduce the rate, or extend the time of payment of, interest on any Revolving Credit Loan, any Note or any Reimbursement Obligation (other than the applicability of any post-default increase in such rate of interest) without the consent of each Lender directly affected thereby, (v) reduce the amount, or extend the time of payment of any payment of any Reimbursement Obligation or principal on any Revolving Credit Loan or any Note without the consent of each Lender directly affected thereby, (vi) decrease or forgive the principal amount of any Revolving Credit Loan, any Note or any Reimbursement Obligation without the consent of each Lender directly affected thereby, (vii) consent to any assignment or delegation by the Borrower of any of its rights or obligations under any Loan Document without the consent of each Lender, (viii) change the provisions of this Section 11.1 without the consent of each Lender, (ix) change the definition of Required Lenders without the consent of each Lender, (x) change the several nature of the obligations of the Lenders without the consent of each Lender, (xi) change the sharing provisions among Lenders without the consent of each Lender, or (xii) extend the expiration date of a Letter of Credit beyond the Commitment Termination Date without the consent of each Lender. Notwithstanding the foregoing, no such amendment, supplement, modification, waiver or consent shall (A) amend, modify or waive any provision of Section 10 or otherwise change any of the rights or obligations of the Administrative Agent, the Issuer or the Swing Line Lender under any Loan Document without the written consent of the Administrative Agent, the Issuer or the Swing Line Lender, as the case may be, (B) change the Letter of Credit Commitment, change the amount or the time of payment of the Letter of Credit Commissions, or change any other term or provision which relates to the Letter of Credit Commitment or the Letters of Credit without the written consent of the Issuer, (C) change the Swing Line Commitment, change the amount or the time of payment of the Swing Line Loans or interest thereon or change any other term or provision which relates to the Swing Line Commitment or the Swing Line Loans without the written consent of the Swing Line Lender or (D) change the amount or the time of payment of any Competitive Bid Loan or interest thereon without the written

consent of the Lender holding such Competitive Bid Loan. Any such amendment, supplement, modification, waiver or consent shall apply equally to each of the Lenders and shall be binding upon the parties to the applicable Loan Document, the Lenders, the Administrative Agent and all future holders of the Loans and the Notes and the Reimbursement Obligations. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights under the Loan Documents, but any Default or Event of Default waived shall not extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2 *Notices*

Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

If to the Borrower:

CVS Corporation
1 CVS Drive
Woonsocket, Rhode Island 02895
Attention: Carol A. DeNale
Treasury Department
Facsimile: (401) 770-5768
Telephone: (401) 770-4407

with a copy, in the case of a notice of Default or Event of Default, to:

CVS Corporation
1 CVS Drive
Woonsocket, Rhode Island 02895
Attention: Legal Department
Facsimile: (401) 765-7887
Telephone: (401) 765-1500

If to the Administrative Agent, the Swing Line Lender and the Issuer:

in the case of each Borrowing Request, each notice of prepayment under Section 2.7, each Letter of Credit Request, each Competitive Bid Request, each Competitive Bid, and each Competitive Bid Accept/Reject Letter:

The Bank of New York
One Wall Street
New York, New York 10286
Attention: Kareen Sinclair,
Agency Function Administration
Facsimile: (212) 635-6365, 6366 or 6367
Telephone: (212) 635-4696,

and in all other cases:

The Bank of New York
Retailing Industry Division
19th Floor
One Wall Street
New York, New York 10286
Attention: William M. Barnum,
Managing Director
Facsimile: (212) 635-1481
Telephone: (212) 635-1019

If to any Lender: to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, by notice to the Administrative Agent and the Borrower). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Any party to a Loan Document may rely on signatures of the parties thereto which are transmitted by fax or other electronic means as fully as if originally signed.

11.3No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Administrative Agent, any Lender or the Issuer, any right, remedy, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges under the Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4Survival of Representations and Warranties

All representations and warranties made in the Loan Documents and in any document, certificate or statement delivered pursuant thereto or in connection therewith shall survive the execution and delivery of the Loan Documents.

11.5 *Payment of Expenses and Taxes; Indemnified Liabilities*

The Borrower agrees, promptly upon presentation of a statement or invoice therefor setting forth in reasonable detail the items thereof, and whether any Loan is made or Letter of Credit is issued, (a) to pay or reimburse the Administrative Agent and its Affiliates for all its reasonable costs and expenses actually incurred in connection with the development, syndication, preparation and execution of, and any amendment, waiver, consent, supplement or modification to, the Loan Documents, any documents prepared in connection therewith and the consummation of the transactions contemplated thereby, whether such Loan Documents or any such amendment, waiver, consent, supplement or modification to the Loan Documents or any documents prepared in connection therewith are executed and whether the transactions contemplated thereby are consummated, including the reasonable fees and disbursements of Special Counsel, (b) to pay, indemnify, and hold the Administrative Agent, the Lenders and the Issuer harmless from any and all recording and filing fees and any and all liabilities and penalties with respect to, or resulting from any delay (other than penalties to the extent attributable to the negligence of the Administrative Agent, the Lenders or the Issuer, as the case may be, in failing to pay such fees or other liabilities when due) in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, the Loan Documents and any such other documents, and (c) to pay, reimburse, indemnify and hold each Indemnified Person harmless from and against any and all other liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including reasonable counsel fees and disbursements of counsel (including the allocated costs of internal counsel) and such local counsel as may be required) actually incurred with respect to the enforcement, performance of, and preservation of rights under, the Loan Documents (all the foregoing, collectively, the “*Indemnified Liabilities*”) and, if and to the extent that the foregoing indemnity may be unenforceable for any reason, the Borrower agrees to make the maximum payment permitted under applicable law, *provided* that the Borrower shall have no obligation hereunder to pay Indemnified Liabilities to an Indemnified Person to the extent arising from its gross negligence or willful misconduct. The agreements in this Section shall survive the termination of the Commitments and the payment of the Loans and the Notes and all other amounts payable under the Loan Documents.

11.6 *Lending Offices*

Each Lender shall have the right at any time and from time to time to transfer any Loan to a different office of such Lender, subject to Section 3.10.

11.7 *Successors and Assigns*

(a) The provisions of the Loan Documents shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in the Loan Documents, expressed or implied, shall be construed to confer upon any Person (other than the

parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each Credit Party) any legal or equitable right, remedy or claim under or by reason of any Loan Document.

(b) Any Lender may assign all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment or obligations in respect of its Letter of Credit Exposure or Swing Line Exposure and the applicable Loans at the time owing to it), to an Eligible Assignee, *provided* that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Administrative Agent (and, in the case of an assignment of all or any portion of its Commitment or obligations in respect of its Letter of Credit Exposure or Swing Line Exposure, the Issuing Bank and/or the Swing Line Lender, as the case may be) must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) except in the case of an assignment to a Lender or an Affiliate or an Approved Fund of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance Agreement with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000, unless the Borrower and the Administrative Agent otherwise consent (which consent shall not be unreasonably withheld or delayed) and shall be for a pro rata portion of such Lender's Commitment and such Lender's then outstanding Revolving Credit Loans, (iii) no assignments to the Borrower or any of its Affiliates shall be permitted (and any attempted assignment or transfer to the Borrower or any of its Affiliates shall be null and void), (iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance Agreement together with, unless otherwise agreed by the Administrative Agent, a processing and recordation fee of \$3,500, and (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, and *provided further* that any consent of the Borrower otherwise required under this subsection shall not be required if an Event of Default has occurred and is continuing. Subject to acceptance and recording thereof pursuant to subsection (d) of this Section, from and after the effective date specified in each Assignment and Acceptance Agreement, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance Agreement, have the rights and obligations of a Lender under the Loan Documents, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance Agreement, be released from its obligations under the Loan Documents (and, in the case of an Assignment and Acceptance Agreement covering all of the assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.5, 3.6, 3.7, 3.10 and 11.10). Except as otherwise provided under clause (iii) of this subsection, any assignment or transfer by a Lender of rights or obligations under the Loan Documents that does not comply with this subsection shall be treated for purposes of the Loan Documents as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Acceptance Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms

hereof from time to time (the “*Register*”). The entries in the Register shall be conclusive absent clearly demonstrable error, and the Borrower and each Credit Party may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Credit Party, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance Agreement executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in subsection (b) of this Section and any written consent to such assignment required by subsection (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance Agreement and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this subsection.

(e) Any Lender may, without the consent of the Borrower or any Credit Party, sell participations to Eligible Assignees (each a “*Participant*”) in all or a portion of such Lender’s rights and obligations under the Loan Documents (including all or a portion of its Commitments, Letter of Credit Exposure, Swing Line Exposure and outstanding Loans owing to it), *provided* that (i) such Lender’s obligations under the Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower and the Credit Parties shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under the Loan Documents and (iv) no participations to the Borrower or any of its Affiliates shall be permitted (and any attempted participation to the Borrower or any of its Affiliates shall be null and void). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of any Loan Documents, *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso to Section 11.1 that affects such Participant. Subject to subsection (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.5, 3.6, 3.7 and 3.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.9(a) as though it were a Lender, *provided* that such Participant agrees to be subject to Section 11.9(b) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 3.6, 3.7 or 3.10 than the Lender that sold the participation to such Participant would have been entitled to receive with respect to the interest in the Loan Documents subject to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.10 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.10(b) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under the Loan Documents to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations under the Loan Documents or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a “*Granting Lender*”) may grant to an Eligible SPC the option to fund all or any part of any Loan that such Granting Lender would otherwise be obligated to fund pursuant to this Agreement, *provided* that (i) such designation shall not be effective unless the Borrower consents thereto (which consent shall not be unreasonably withheld), (ii) nothing herein shall constitute a commitment by any Eligible SPC to fund any Loan, and (iii) if an Eligible SPC elects not to exercise such option or otherwise fails to fund all or any part of such Loan, the Granting Lender shall be obligated to fund such Loan pursuant to the terms hereof. The funding of a Loan by an Eligible SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were funded by such Granting Lender. As to any Loans or portion thereof made by it, each Eligible SPC shall have all the rights that a Lender making such Loans or portion thereof would have had under this Agreement and otherwise, *provided* that (x) its voting rights under this Agreement shall be exercised solely by its Granting Lender and (y) its Granting Lender shall remain solely responsible to the other parties hereto for the performance of such Granting Lender’s obligations under this Agreement, including its obligations in respect of the Loans or portion thereof made by it. Each Granting Lender shall act as administrative agent for its Eligible SPC and give and receive notices and other communications on its behalf. Any payments for the account of any Eligible SPC shall be paid to its Granting Lender as administrative agent for such Eligible SPC and neither the Borrower nor the Administrative Agent shall be responsible for any Granting Lender’s application of such payments. Each party hereto hereby agrees that no Eligible SPC shall be liable for any indemnity or payment under this Agreement for which a Lender would otherwise be liable for so long as, and to the extent, the Granting Lender provides such indemnity or makes such payment. Notwithstanding anything to the contrary contained in this Agreement, any Eligible SPC may (i) at any time, subject to payment of the processing and recordation fee referred to in Section 11.7(b), assign all or a portion of its interests in any Loans to its Granting Lender (but nothing contained herein shall be construed in derogation of the obligation of the Granting Lender to make Loans hereunder) or to any financial institutions providing liquidity and/or credit support to or for the account of such Eligible SPC to support the funding or maintenance of Loans, and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancements to such Eligible SPC. This Section may not be amended without the prior written consent of each Granting Lender, all or any part of whose Loans is being funded by an Eligible SPC at the time of such amendment.

11.8 Counterparts

Each of the Loan Documents (other than the Notes) may be executed on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement. It shall not be necessary in making proof of any Loan Document to produce or account for more than one counterpart signed by the party to be charged. A set of the copies of this Agreement signed by all of the parties hereto shall be lodged with each of the Borrower and the Administrative Agent. Any party to a Loan Document may rely upon the signatures of any other party thereto which are transmitted by fax or other electronic means to the same extent as if originally signed.

11.9 Set-off and Sharing of Payments

(a) In addition to any rights and remedies of the Lenders and the Issuer provided by law, upon the occurrence of an Event of Default under Section 9.1(a) or (b) or upon the acceleration of the Loans, each Lender and the Issuer shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower, to set-off and apply against any indebtedness or other liability, whether matured or unmatured, of the Borrower to such Lender or the Issuer arising under the Loan Documents, any amount owing from such Lender or the Issuer to the Borrower. To the extent permitted by applicable law, the aforesaid right of set-off may be exercised by such Lender or the Issuer against the Borrower or against any trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of the Borrower, or against anyone else claiming through or against the Borrower or such trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receivers, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by such Lender or the Issuer prior to the making, filing or issuance of, service upon such Lender or the Issuer of, or notice to such Lender or the Issuer of, any petition, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena, order or warrant. Each Lender and the Issuer agree promptly to notify the Borrower and the Administrative Agent after each such set-off and application made by such Lender or the Issuer, *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

(b) If any Lender or the Issuer (each a “*Benefited Lender*”) shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of its Loans or its Notes or the Reimbursement Obligations in excess of its pro rata share (in accordance with the outstanding principal balance of all Loans or the Reimbursement Obligations) of payments then due and payable on account of the Loans and Notes received by all the Lenders or the Reimbursement Obligations, such Lender or the Issuer, as the case may be, shall forthwith purchase, without recourse, for cash, from the other Lenders such participations in their Loans and Notes or the Reimbursement Obligations as shall be necessary to cause such purchasing Lender or the Issuer to share the excess payment with each of them according to their pro rata share (in accordance with the outstanding principal balance of all Loans or the Reimbursement Obligations), *provided* that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender or the Issuer, such purchase from

each Lender shall be rescinded and each such Lender shall repay to the purchasing Lender or the Issuer the purchase price to the extent of such recovery, together with an amount equal to such Lender's pro rata share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender or the Issuer) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees, to the fullest extent permitted by law, that any Lender or the Issuer so purchasing a participation from another Lender pursuant to this Section may exercise such rights to payment (including the right of set-off) with respect to such participation as fully as if such Lender or the Issuer were the direct creditor of the Borrower in the amount of such participation.

11.10 ~~Indemnity~~

(a) The Borrower shall indemnify each Credit Party and each Related Party thereof (each such Person being called an "*Indemnified Person*") against, and hold each Indemnified Person harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnified Person, incurred by or asserted against any Indemnified Person arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the transactions contemplated hereby or any other transactions contemplated thereby (including the Caremark Merger), (ii) any Loan or Letter of Credit or the use of the proceeds thereof, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of the Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnified Person is a party thereto, *provided* that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person. Notwithstanding the above, the Borrower shall have no liability under clause (i) of this Section to indemnify or hold harmless any Indemnified Person for any losses, claims, damages, liabilities and related expenses relating to income or withholding taxes or any tax in lieu of such taxes.

(b) To the extent that the Borrower fails to promptly pay any amount required to be paid by it to the Administrative Agent under subsection (a) of this Section, each Lender severally agrees to pay to the Administrative Agent an amount equal to the product of such unpaid amount *multiplied by* (i) at any time when no Loans are outstanding, its Commitment Percentage, or if no Commitments then exist, its Commitment Percentage on the last day on which Commitments did exist, and (ii) at any time when Loans are outstanding (x) if the Commitments then exist, its Commitment Percentage or (y) if the Commitments have been terminated or otherwise no longer exist, the percentage equal to the fraction, (A) the numerator of which is the sum of such Lender's Credit Exposure and (B) the denominator of which is the sum of the Aggregate Credit Exposure (in each case determined as of the time that the applicable

unreimbursed expense or indemnity payment is sought), *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent in its capacity as such.

(c) The obligations of the Borrower and the Lenders under this Section 11.10 shall survive the termination of the Commitments and the payment of the Loans and the Notes and all other amounts payable under the Loan Documents.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct and actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement, instrument or other document contemplated thereby, the transactions contemplated hereby or any Loan or any Letter of Credit or the use of the proceeds thereof.

11.11 *Governing Law*

The Loan Documents and the rights and obligations of the parties thereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

11.12 *Severability*

Every provision of the Loan Documents is intended to be severable, and if any term or provision thereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

11.13 *Integration*

All exhibits to the Loan Documents shall be deemed to be a part thereof. Each Loan Document embodies the entire agreement and understanding between or among the parties thereto with respect to the subject matter thereof and supersedes all prior agreements and understandings between or among the parties thereto with respect to the subject matter thereof.

11.14 *Treatment of Certain Information*

Each Lender, the Issuer and the Administrative Agent agrees to maintain as confidential and not to disclose, publish or disseminate to any third parties any financial or other information relating to the business, operations and condition, financial or otherwise, of the Borrower provided to it, except if and to the extent that:

- (a) such information is in the public domain at the time of disclosure;
- (b) such information is required to be disclosed by subpoena or similar process or applicable law or regulations;

- (c) such information is required or requested to be disclosed to any regulatory or administrative body or commission to whose jurisdiction it may be subject;
- (d) such information is disclosed to its counsel, auditors or other professional advisors;
- (e) such information is disclosed to (and, unless and until it receives written objection from the Borrower, the Borrower shall be deemed to have consented to disclosure of such information to) its affiliates (and its affiliates' officers, directors and employees), *provided* that such information shall be used in connection with this Agreement and the transactions contemplated hereby;
- (f) such information is disclosed to its officers, directors and employees;
- (g) such information is disclosed with the prior written consent of the party furnishing the information;
- (h) such information is disclosed in connection with any litigation or dispute involving the Borrower and/or it;
- (i) such information is disclosed in connection with the sale of a participation or other disposition by it of any of its interest in this Agreement, *provided* that such information shall not be disclosed unless and until the party to whom it shall be disclosed shall have agreed to keep such information confidential as set forth herein;
- (j) such information was in its possession or in its affiliate's possession as shown by clear and convincing evidence prior to any of the Borrower and/or any of the Borrower's representatives or agents furnishing such information to it; or
- (k) such information is received by it, without restriction as to its disclosure or use, from a Person who, to its knowledge or reasonable belief, was not prohibited from disclosing such information by any duty of confidentiality.

Except to the extent prohibited or restricted by law or Governmental Authority, each Lender shall notify the Borrower promptly of any disclosures of information made by it as permitted pursuant to (h) above.

11.15 *Acknowledgments*

The Borrower acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of the Loan Documents, (b) by virtue of the Loan Documents, none of the Administrative Agent, the Issuer, or any Lender has any fiduciary relationship to the Borrower, and the relationship between the Administrative Agent, the Issuer, and the Lenders, on the one hand, and the Borrower, on the other hand, is solely that of debtor and creditor, and (c) by virtue of the Loan Documents, no joint venture exists among the Lenders or among the Borrower and the Lenders.

11.16 *Consent to Jurisdiction*

The Borrower irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal Court sitting in the City of New York over any suit, action or proceeding arising out of or relating to the Loan Documents. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Borrower agrees that a final judgment in any such suit, action or proceeding brought in such a court, after all appropriate appeals, shall be conclusive and binding upon it.

11.17 *Service of Process*

The Borrower agrees that process may be served against it in any suit, action or proceeding referred to in Section 11.16 by sending the same by first class mail, return receipt requested or by overnight courier service, with receipt acknowledged, to the address of the Borrower set forth in Section 11.2. The Borrower agrees that any such service (i) shall be deemed in every respect effective service of process upon it in any such suit, action, or proceeding, and (ii) shall to the fullest extent enforceable by law, be taken and held to be valid personal service upon and personal delivery to it.

11.18 *No Limitation on Service or Suit*

Nothing in the Loan Documents or any modification, waiver, or amendment thereto shall affect the right of the Administrative Agent, the Issuer or any Lender to serve process in any manner permitted by law or limit the right of the Administrative Agent, the Issuer or any Lender to bring proceedings against the Borrower in the courts of any jurisdiction or jurisdictions.

11.19 *WAIVER OF TRIAL BY JURY*

THE ADMINISTRATIVE AGENT, THE ISSUER, THE LENDERS AND THE BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY. FURTHER, THE BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ADMINISTRATIVE AGENT, THE ISSUER, OR THE LENDERS, OR COUNSEL TO THE ADMINISTRATIVE AGENT, THE ISSUER, OR THE LENDERS, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT, THE ISSUER, OR THE LENDERS WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. THE BORROWER ACKNOWLEDGES THAT THE ADMINISTRATIVE AGENT, THE ISSUER, AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, *INTER ALIA*, THE PROVISIONS OF THIS SECTION.

11.20~~Effective Date~~

This Agreement shall be effective at such time (the “*Effective Date*”) as the Administrative Agent shall have received executed counterparts hereof by the Borrower, the Administrative Agent, the Issuer, and each Lender and the conditions set forth in Sections 5.1 through 5.3 have been or simultaneously will be satisfied, *provided* that this Agreement shall not become effective or be binding on any party hereto unless all of such conditions are satisfied not later than April 30, 2007.

11.21~~Patriot Act Notice~~

Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001), as amended from time to time) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act.

AS EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this 364 Day Credit Agreement to be executed on its behalf.

CVS CORPORATION

By: /s/ Carol A. DeNale

Name: Carol A. DeNale

Title: Vice President and Treasurer

THE BANK OF NEW YORK, in its capacity as a Lender and in its
capacity as the Administrative Agent

By: /s/ Erin Morrissey

Name: Erin Morrissey

Title: Assistant Vice President

LEHMAN COMMERCIAL PAPER INC., in its capacity as a Co-Syndication Agent

By: /s/ Janine M. Shugan

Name: Janine M. Shugan

Title: Authorized Signatory

LEHMAN BROTHERS BANK, FSB, in its capacity as a Lender

By: /s/ Gary T. Taylor

Name: Gary T. Taylor

Title: Senior Vice President

BANK OF AMERICA, N.A

By: /s/ John Pocalyko

Name: John Pocalyko

Title: Senior Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION, in its capacity as a
Lender and in its capacity as a Co-Syndication Agent

By: /s/ Denis Waltrich

Name: Denis Waltrich

Title: Vice President

MORGAN STANLEY BANK

By: /s/ Dawn M. Dawson

Name: Dawn M. Dawson

Title: Authorized Signatory

EXHIBIT A

2007 364 DAY CREDIT AGREEMENT

EXHIBIT A

LIST OF COMMITMENTS

Lender	Commitment Amount
The Bank of New York	\$ 100,000,000
Bank of America, N.A.	\$ 100,000,000
Lehman Brothers Bank, FSB	\$ 100,000,000
Morgan Stanley Bank	\$ 100,000,000
Wachovia Bank, National Association	\$ 100,000,000
TOTAL	\$ 500,000,000

EXHIBIT B

2007 364 DAY CREDIT AGREEMENT

EXHIBIT B
FORM OF NOTE

[____], 2007
New York, New York

FOR VALUE RECEIVED, the undersigned, CVS CORPORATION, a Delaware corporation (the “Borrower”), hereby promises to pay to the order of _____ (the “Lender”) the outstanding principal balance of the Lender’s Loans, together with interest thereon, at the rate or rates, in the amounts and at the time or times set forth in the 364 Day Credit Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), dated as of March 12, 2007, by and among the Borrower, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as administrative agent (in such capacity, the “Administrative Agent”), in each case at the office of the Administrative Agent located at One Wall Street, New York, New York, or at such other place as the Administrative Agent may specify from time to time, in lawful money of the United States of America in immediately available funds.

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

The Loans evidenced by this Note are prepayable in the amounts, and on the dates, set forth in the Credit Agreement. This Note is one of the Notes under the Credit Agreement, and is subject to, and shall be construed in accordance with, the provisions thereof, and is entitled to the benefits set forth in the Loan Documents.

The Lender is hereby authorized to record on the schedule annexed hereto, and any continuation sheets which the Lender may attach thereto (a) the date and amount of each Revolving Credit Loan, Competitive Bid Loan and Swing Line Loan made by the Lender, (b) the Interest Period for each Revolving Credit Loan (Eurodollar Advance only), Competitive Bid Loan and Swing Line Loan made by the Lender, (c) the Type of each Revolving Credit Loan made by the Lender as one or more ABR Advances, one or more Eurodollar Advances, or a combination thereof, (d) the Eurodollar Rate applicable to each Revolving Credit Loan (Eurodollar Advance only), the Competitive Bid Rate applicable to each Competitive Bid Loan and the Negotiated Rate applicable to each Swing Line Loan made by the Lender and (e) the date and amount of each Conversion of each Revolving Credit Loan made by the Lender, and each payment or prepayment of principal of, each Loan made by the Lender. The failure to so record or any error in so recording shall not affect the

obligation of the Borrower to repay the Loans, together with interest thereon, as provided in the Credit Agreement.

Except as specifically otherwise provided in the Credit Agreement, the Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other demands, protests and notices in connection with the execution, delivery, performance, collection and enforcement of this Note.

This Note is being delivered in, is intended to be performed in, shall be construed and interpreted in accordance with, and be governed by the laws of, the State of New York.

This Note may only be amended by an instrument in writing executed pursuant to the provisions of Section 11.1 of the Credit Agreement.

CVS CORPORATION

By: _____

Name: _____

Title: _____

CVS CORPORATION
364 DAY CREDIT AGREEMENT

SCHEDULE TO NOTE

Date of Loan	Type and Amount of Loan	Interest Period (If other than an ABR Advance)	Type of Revolving Credit Loan (ABR or Eurodollar)	Interest Rate (If other than an ABR Advance)	Date and Amount of Conversion of Revolving Credit Loan	Date and Amount of Principal Payment or Prepayment	Notation Made by

EXHIBIT C

2007 364 DAY CREDIT AGREEMENT
EXHIBIT C
FORM OF BORROWING REQUEST

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: _____,

Re: 364 Day Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.3 of the Credit Agreement, the Borrower hereby gives notice of its intention to borrow Revolving Credit Loans in the aggregate sum of \$_____ on _____, and/or a Swing Line Loan in the sum of \$_____ on _____, which borrowing shall consist of the following:

Revolving Credit Loans (ABR Advance or Eurodollar Advance) or Swing Line Loan	Amount	Interest Period (Other than ABR)
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The Borrower hereby certifies that on the Borrowing Date set forth above, and after giving effect to the Loans requested hereby:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

IN EVIDENCE of the foregoing, the undersigned has caused this Borrowing Request to be duly executed on its behalf.

CVS CORPORATION

By: _____

Name: _____

Title: _____

[Date]

2007 364 DAY CREDIT AGREEMENT
EXHIBIT D-1
FORM OF OPINION OF COUNSEL TO THE BORROWER

The Lenders, the Co-Syndication Agents,
and the Administrative Agent Referred to Below
c/o The Bank of New York,
as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

I am general counsel of CVS Corporation, a Delaware corporation (the "Borrower"), and have acted as such in connection with the 364 Day Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as Co-Syndication Agents, and The Bank of New York, as Administrative Agent (the "364 Day Credit Agreement"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the 364 Day Credit Agreement.

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 and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion. In rendering my opinions set forth below, I have assumed (i) the due authorization, execution and delivery by all parties thereto (other than the Borrower) of the 364 Day Credit Agreement, (ii) the authenticity of all documents submitted to me as originals and (iii) the conformity to original documents of all documents submitted to me as copies.

Based upon the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Borrower has all requisite corporate power and authority to own its Property and to carry on its business as now conducted.
2. The Borrower is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it owns or leases real Property or in which the nature of its business requires it to be so qualified (except those jurisdictions where the failure to be so

qualified or to be in good standing could not reasonably be expected to have a Material Adverse effect).

3. The execution, delivery and performance by the Borrower of the Five Year Credit Agreement and the Notes are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action on the part of the Borrower.

4. The execution, delivery and performance by the Borrower of the Five Year Credit Agreement and Notes do not require any action or approval on the part of the shareholders of the Borrower or any action by or in respect of, or filing with, any governmental body, agency or official under United States federal law or the Delaware General Corporation Law, and do not contravene, or constitute a default under, any provision of (i) United States federal law or the Delaware General Corporation Law, (ii) the Certificate of Incorporation or bylaws of the Borrower or (iii) any existing material mortgage, material indenture, material contract or material agreement, in each case binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary.

5. The Five Year Credit Agreement and the Notes delivered by the Borrower on or prior to the date hereof have been duly executed and delivered by the Borrower and each constitutes the valid and binding agreement of the Borrower, in each case enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect affecting the enforcement of creditors' rights generally and to general principles of equity.

6. The Borrower is not an "investment company" (as such term is defined in the United States Investment Company Act of 1940, as amended).

7. To the best of my knowledge, as at February 2, 2007, there were no actions, suits, arbitration proceedings or claims (whether purportedly on behalf of the Borrower, any Subsidiary or otherwise) pending or threatened against the Borrower or any Subsidiary or any of their respective Properties, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse effect. To the best of my knowledge, there are no proceedings pending or threatened against the Borrower or any Subsidiary (a) which call into question the validity or enforceability of, or otherwise seek to invalidate, any Loan Document or (b) which could reasonably be expected to, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document (it being understood that the Caremark Merger is not a transaction contemplated by any Loan Document for purposes of this clause (b)).

8. To the best of my knowledge, the Borrower is not in default under any agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse effect.

9. To the best of my knowledge, no provision of any judgment, decree or order, in each case binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary conflicts with, or requires any consent which has not already been obtained under,

or would in any way prevent the execution, delivery or performance by the Borrower of the terms of, any Loan Document.

The foregoing opinion is subject to the following qualifications:

- (a) I express no opinion as to the effect (if any) of any law of any jurisdiction (except the Commonwealth of Massachusetts) in which any Lender is located which may limit the rate of interest that such Lender may charge or collect.
- (b) I express no opinion as to provisions in the Five Year Credit Agreement which purport to create rights of set-off in favor of participants or which provide for set-off to be made otherwise than in accordance with applicable laws.
- (c) I note that public policy considerations or court decisions may limit the rights of any party to obtain indemnification under the Five Year Credit Agreement.

I am a member of the bar of the Commonwealth of Massachusetts and the foregoing opinion is limited to the laws of the Commonwealth of Massachusetts, the federal law of the United States of America and the Delaware General Corporation Law. For purposes of paragraph 5 of this opinion, I have assumed that, with your permission and without any research or investigation, the laws of the State of New York are identical to the law of the Commonwealth of Massachusetts.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without my prior written consent, except that any person that becomes a Lender in accordance with the provisions of the Five Year Credit Agreement may rely upon this opinion as if it were specifically addressed and delivered to such person on the date hereof.

Very truly yours,

[Date]

2007 364 DAY CREDIT AGREEMENT
EXHIBIT D-2
FORM OF OPINION OF SPECIAL COUNSEL TO THE BORROWER

The Co-Syndication Agents,
the Administrative Agent
and the lenders party
to the 364 Day Credit Agreement referred to below
c/o The Bank of New York,
as Administrative Agent

Re: CVS Corporation

Ladies and Gentlemen:

We have acted as special New York counsel to CVS Corporation, a Delaware corporation (the “**Company**”), in connection with the 364 Day Credit Agreement dated as of March 12, 2007 among the Company, the lenders listed on the signature pages thereof (the “**Lenders**”), Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as Co-Syndication Agents, and The Bank of New York, as Administrative Agent (in such capacity, the “**Administrative Agent**”) (as in effect on the date hereof, the “**364 Day Credit Agreement**”). Capitalized terms defined in the 364 Day Credit Agreement and not otherwise defined herein are used herein as therein defined.

We have reviewed an executed copy of the 364 Day Credit Agreement. In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments, and have conducted such other investigations of fact and law, as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that (i) the 364 Day Credit Agreement constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its

terms, and (ii) the execution, delivery and performance by the Company of the 364 Day Credit Agreement (x) require no consent or other action by or in respect of, or filing with, any governmental body, agency or official under New York State law, and (y) do not contravene, or constitute a default under, any provision of New York State law or regulation that in our experience is normally applicable to general business corporations in relation to transactions of the type contemplated by the 364 Day Credit Agreement.

The foregoing opinions are subject to the following qualifications and assumptions:

(a) Our opinions are subject to the effects of applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability, and the enforceability of indemnification provisions may be limited by Federal or State laws or policies underlying such laws.

(b) We express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located that may limit the rate of interest that such Lender may charge or collect.

(c) We express no opinion as to the effect of Section 548 of the United States Bankruptcy Code or any similar provisions of State law.

(d) We have assumed, with your permission and without independent investigation, that (i) the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, (ii) the execution, delivery and performance by the Company of the 364 Day Credit Agreement are within its corporate powers and have been duly authorized by all necessary corporate and other action, and (iii) the execution, delivery and performance by the Company of the 364 Day Credit Agreement (x) require no consent or other action by or in respect of, or filing with, any governmental body, agency or official under United States federal law or the Delaware General Corporation Law and (y) do not contravene, or constitute a default under, any provision of (a) United States federal law or regulation or the Delaware General Corporation Law, or (b) the certificate of incorporation or bylaws of the Company.

We are members of the bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person (other than an assignee permitted under Section 11.7 of the 364 Day Credit Agreement) without our prior written consent.

Very truly yours,

2007 364 DAY CREDIT AGREEMENT
EXHIBIT E
FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

Reference is made to the 364 Day Credit Agreement, dated as of March 12, 2007 (as amended and in effect on the date hereof, the “Credit Agreement”), by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent. Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

The Assignor named below hereby sells and assigns, without recourse, to the Assignee named below, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Assignment Date (defined below), the interests set forth below in the Assignor’s rights and obligations under the Credit Agreement, including, without limitation, the interests set forth below in the Commitment and the Revolving Credit Loans and Competitive Bid Loans owing to the Assignor that are outstanding on the Assignment Date, together with, in the case of such Commitment, all of the related participations held by the Assignor in respect of the Letters of Credit (including its LC Exposure) and Swingline Loans (including its Swingline Exposure), but excluding accrued interest and fees to and excluding the Assignment Date (collectively, the “Assigned Interest”). The Assignee hereby acknowledges receipt of a copy of the Credit Agreement. From and after the Assignment Date, (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the Assigned Interest, have the rights and obligations of a Lender under the Loan Documents and (ii) the Assignor shall, to the extent of the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Documents.

This Assignment and Acceptance is being delivered to the Administrative Agent, together with (i) if the Assignee is a Foreign Lender, any documentation required to be delivered by the Assignee pursuant to Section 3.10(b) of the Credit Agreement, duly completed and executed by the Assignee, and (ii) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire in the form supplied by the Administrative Agent, duly completed by the Assignee. The **[Assignee/Assignor]**¹ shall pay the fee payable to the Administrative Agent pursuant to Section 11.7(b) of the Credit Agreement.

THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Date of Assignment:

¹Delete inapplicable term.

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of
Assignment (the "Assignment Date"):

Commitment Assigned:

Principal Amount of Revolving Credit Loans Assigned:

Principal Amount of each Competitive Bid Loan Assigned:

[SIGNATURE PAGE FOLLOWS]

The terms set forth above are hereby agreed to:

[Name of Assignor], as Assignor

By: _____

Name: _____

Title: _____

[Name of Assignee], as Assignee

By: _____

Name: _____

Title: _____

The undersigned hereby consent to the within assignment:

CVS CORPORATION

By: _____

Name: _____

Title: _____

THE BANK OF NEW YORK,
as Administrative Agent

By: _____

Name: _____

Title: _____

2007 364 DAY CREDIT AGREEMENT
EXHIBIT F
FORM OF COMPETITIVE BID REQUEST

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: _____,

Re: 364 Day Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.4 of the Credit Agreement, the Borrower hereby gives notice of its request to borrow Competitive Bid Loans in the aggregate sum of \$ _____ on _____, which borrowing shall consist of the following:

<u>Amount</u>	<u>Competitive Interest Period</u>
---------------	--

The Borrower hereby certifies that on the Borrowing Date set forth above, and after giving effect to the Competitive Bid Loans requested hereby:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

IN EVIDENCE of the foregoing, the undersigned has caused this Competitive Bid Request to be duly executed on its behalf.

CVS CORPORATION

By: _____

Name: _____

Title: _____

2007 364 DAY YEAR CREDIT AGREEMENT

EXHIBIT G

FORM OF INVITATION TO BID

[Date]

To the Lenders party
from time to time to the
captioned Credit Agreement

Re: 364 Day Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to a Competitive Bid Request, the Borrower gave notice of its request to borrow Competitive Bid Loans in the aggregate sum of \$ _____ on _____, which borrowing would consist of the following:

<u>Amount</u>	<u>Competitive Interest Period</u>
---------------	--

The Lenders are hereby invited to bid, pursuant to the terms and conditions of the Credit Agreement, on such requested Competitive Bid Loans.

THE BANK OF NEW YORK,
as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT H

2007 364 DAY CREDIT AGREEMENT

EXHIBIT H

FORM OF COMPETITIVE BID

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: _____,

Re: 364 Day Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

In response to a Competitive Bid Request, the undersigned Lender hereby offers to make Competitive Bid Loan(s) in the aggregate sum of \$_____ on _____, which borrowing would consist of the following:

<u>Amount</u>	<u>Competitive Interest Period</u>	<u>Competitive Bid Rate</u>
		[fixed rate]

[LENDER]

By: _____
Name: _____
Title: _____

2007 364 DAY CREDIT AGREEMENT
EXHIBIT I
FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: _____,

Re: 364 Day Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.4(d) of the Credit Agreement, the Borrower hereby gives notice of its acceptance of the following Competitive Bids:

_____	_____
_____	_____

and its rejection of all other Competitive Bids, in each case made pursuant to the Competitive Bid Request, dated _____.

IN EVIDENCE of the foregoing, the undersigned has caused this Competitive Bid Accept/Reject Letter to be duly executed on its behalf.

CVS CORPORATION

By: _____
Name: _____
Title: _____

2007 364 DAY CREDIT AGREEMENT
EXHIBIT J
FORM OF LETTER OF CREDIT REQUEST

[Date]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: _____,

Re: 364 Day Credit Agreement, dated as of March 12, 2007, by and among CVS Corporation, the Lenders party thereto, the co-syndication agents named therein, and The Bank of New York, as Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.8(b) of the Credit Agreement, the Borrower hereby gives notice of its request for the issuance by the Issuer of a Letter of Credit for the account of the Borrower and for the benefit of _____ on _____ in connection with _____ in the maximum amount of \$ _____. A drawing may be made under such Letter of Credit under the following conditions: _____.

The Borrower hereby certifies that on the above requested date of issuance of such Letter of Credit, and after giving effect to the issuance of such Letter of Credit:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

IN EVIDENCE of the foregoing, the undersigned has caused this Letter of Credit Request to be duly executed on its behalf.

CVS CORPORATION

By: _____

Name: _____

Title: _____

\$5,750,000,000
BRIDGE CREDIT AGREEMENT

by and among

CVS CORPORATION,

THE LENDERS PARTY HERETO,

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Syndication Agent,

and

THE BANK OF NEW YORK,
BANK OF AMERICA, N.A., and
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

Dated as of March 15, 2007

LEHMAN BROTHERS INC.,
and
MORGAN STANLEY SENIOR FUNDING, INC.,
as Joint Lead Arrangers and Joint Bookrunners,

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BRIDGE CREDIT AGREEMENT, dated as of March 15, 2007, by and among **CVS CORPORATION**, a Delaware corporation (the “*Borrower*”), the banks and other financial institutions party hereto from time to time (each a “*Lender*” and, collectively, the “*Lenders*”), **LEHMAN BROTHERS INC.** and **MORGAN STANLEY SENIOR FUNDING, INC.**, as joint lead arrangers and joint bookrunners (in such capacity, the “*Arrangers*”), **LEHMAN COMMERCIAL PAPER INC.**, as administrative agent for the Lenders (in such capacity, the “*Administrative Agent*”), **MORGAN STANLEY SENIOR FUNDING, INC.**, as syndication agent (in such capacity, the “*Syndication Agent*”), and **THE BANK OF NEW YORK, BANK OF AMERICA, N.A.**, and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as co-documentation agents (in such capacity, the “*Co-Documentation Agents*”).

ARTICLE 1

DEFINITIONS AND PRINCIPLES OF CONSTRUCTION

SECTION 1.1

Definitions

When used in any Loan Document (as defined below), each of the following terms shall have the meaning ascribed thereto unless the context otherwise specifically requires:

“*ABR Advances*”: the Loans (or any portions thereof) at such time as they (or such portions) are made or are being maintained at a rate of interest based upon the Alternate Base Rate.

“*Accumulated Funding Deficiency*”: as defined in Section 302 of ERISA.

“*Acquisition*”: with respect to any Person, the purchase or other acquisition by such Person, by any means whatsoever (including by devise, bequest, gift, through a dividend or otherwise), of (a) stock of, or other equity securities of, any other Person if, immediately thereafter, such other Person would be either a consolidated subsidiary of such Person or otherwise under the control of such Person, (b) any business, going concern or division or segment thereof, or (c) the Property of any other Person other than in the ordinary course of business, *provided* that (i) no acquisition of substantially all of the assets, or any division or segment, of such other Person shall be deemed to be in the ordinary course of business and (ii) no redemption, retirement, purchase or acquisition by any Person of the stock or other equity securities of such Person shall be deemed to constitute an Acquisition.

“*Administrative Agent*”: as defined in the preamble.

“*Administrative Questionnaire*”: an Administrative Questionnaire in a form supplied by the Administrative Agent.

“*Affected Advance*”: as defined in Section 3.8(b).

“*Affiliate*”: with respect to any Person at any time and from time to time, any other Person (other than a wholly-owned subsidiary of such Person) which, at such time

(a) controls such Person, (b) is controlled by such Person or (c) is under common control with such Person. The term “control”, as used in this definition with respect to any Person, means the power, whether direct or indirect through one or more intermediaries, to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise.

“*Agents*”: the collective reference to the Co-Documentation Agents, the Syndication Agent and the Administrative Agent.

“*Aggregate Commitment Amount*”: at any time, the sum of the Commitment Amounts of the Lenders at such time under this Agreement.

“*Aggregate Available Commitments*”: at any time, the sum of the Available Commitments of the Lenders at such time under this Agreement.

“*Aggregate Credit Exposure*”: at any time, the sum at such time of the aggregate Credit Exposure of the Lenders at such time under this Agreement.

“*Agreement*”: this Bridge Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“*Alternate Base Rate*”: for any day, a rate per annum (rounded, if necessary, to the nearest 1/100th of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) equal to the greater of (a) the Prime Rate in effect on such day, and (b) ½ of 1% plus the Federal Funds Effective Rate in effect on such day. Any change in the Prime Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“*Applicable Margin*”: (i) with respect to the unpaid principal balance of ABR Advances, the applicable percentage set forth below in the column entitled “ABR Advances”, (ii) with respect to the unpaid principal balance of Eurodollar Advances, the applicable percentage set forth below in the column entitled “Eurodollar Advances” and (iii) with respect to the Facility Fee, the applicable percentage set forth below in the column entitled “Facility Fee Rate”:

Pricing Level	ABR Advances	Eurodollar Advances	Facility Fee Rate
Pricing Level I	0%	0.170%	0.030%
Pricing Level II	0%	0.210%	0.040%
Pricing Level III	0%	0.250%	0.050%
Pricing Level IV	0%	0.290%	0.060%

Pricing Level	ABR Advances	Eurodollar Advances	Facility Fee Rate
Pricing Level V	0%	0.320%	0.080%
Pricing Level VI	0%	0.445%	0.105%
Pricing Level VII	0%	0.725%	0.150%

Decreases in the Applicable Margin resulting from a change in Pricing Level shall become effective upon the delivery by the Borrower to the Administrative Agent of a notice pursuant to Section 7.7(d). Increases in the Applicable Margin resulting from a change in Pricing Level shall become effective on the effective date of any downgrade or withdrawal in the rating by Moody's or S&P of the senior unsecured long term debt rating of the Borrower.

"Approved Fund": with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Arrangers": as defined in the preamble.

"Assignment and Acceptance Agreement": an assignment and acceptance agreement executed by an assignor and an assignee pursuant to which, subject to the terms and conditions hereof and thereof, the assignor assigns to the assignee all or any portion of such assignor's Loans, Notes and Commitment, substantially in the form of Exhibit E.

"Available Commitment": with respect to any Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Commitment then in effect over (b) such Lender's Credit Exposure at such time.

"Benefited Lender": as defined in Section 11.9(b).

"Borrower": as defined in the preamble.

"Borrowing Date": each Domestic Business Day or Eurodollar Business Day, as the case may be, during the Commitment Period on which the Lenders shall make Loans pursuant to Section 2.1(a) and a Borrowing Request; *provided, however*, that for avoidance of doubt, there shall be no more than three Borrowing Dates.

"Borrowing Request": a request for Loans in the form of Exhibit C.

"Caremark": Caremark RX Inc., a Delaware corporation.

"Caremark Acquisition": the acquisition by the Borrower of all outstanding capital stock of Caremark pursuant to the Caremark Merger Agreement.

“*Caremark Merger Agreement*”: the Agreement and Plan of Merger, dated as of November 1, 2006 among the Borrower, Caremark and Twain MergerSub Corp. (as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated as of January 16, 2007 and as further amended, supplemented or otherwise modified from time to time in accordance with Section 8.10).

“*Caremark Special Dividend*”: a special dividend made by the Borrower to the holders of Caremark’s outstanding common stock in connection with the Caremark Acquisition.

“*Change of Control*”: any of the following:

(i) any Person or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), (a) shall have or acquire beneficial ownership of securities having 30% or more of the ordinary voting power of the Borrower or (b) shall possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the Borrower, whether through the ownership of voting securities, by contract or otherwise; or

(ii) the Continuing Directors shall cease for any reason to constitute a majority of the board of directors of the Borrower then in office.

“*Co-Documentation Agents*”: as defined in the preamble.

“*Commitment*”: in respect of any Lender, such Lender’s obligation, if any, to make a Loan to the Borrower on each Borrowing Date, subject to the terms and conditions hereof, in an aggregate outstanding principal amount not to exceed the Commitment Amount of such Lender.

“*Commitment Amount*”: at any time and with respect to any Lender, the amount set forth adjacent to such Lender’s name under the heading “Commitment Amount” in Exhibit A at such time or, in the event that such Lender is not listed on Exhibit A, the “Commitment Amount” which such Lender shall have assumed from another Lender in accordance with Section 11.7 on or prior to such time, as the same may be adjusted from time to time pursuant to Section 2.5 and Section 11.7(c). The aggregate amount of the Lenders’ Commitment Amounts on the Effective Date is \$5,750,000,000.

“*Commitment Percentage*”: at any time and with respect to any Lender, a fraction the numerator of which is such Lender’s Commitment Amount at such time, and the denominator of which is the Aggregate Commitment Amount at such time.

“*Commitment Period*”: the period from and including the Effective Date to the date that is 60 Domestic Business Days after the first Borrowing Date, or on such earlier date as all of the Commitments shall have been terminated in accordance with the terms hereof.

“*Compensatory Interest Payment*”: as defined in Section 3.4(c).

“Consolidated”: the Borrower and the Subsidiaries on a consolidated basis in accordance with GAAP.

“Contingent Obligation”: as to any Person (the *“secondary obligor”*), any obligation of such secondary obligor (a) guaranteeing or in effect guaranteeing any return on any investment made by another Person, or (b) guaranteeing or in effect guaranteeing any Indebtedness, lease, dividend or other obligation (*“primary obligation”*) of any other Person (the *“primary obligor”*) in any manner, whether directly or indirectly, including any obligation of such secondary obligor, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the beneficiary of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (iv) otherwise to assure or hold harmless the beneficiary of such primary obligation against loss in respect thereof, and (v) in respect of the Indebtedness of any partnership in which such secondary obligor is a general partner, except to the extent that such Indebtedness of such partnership is nonrecourse to such secondary obligor and its separate Property, *provided* that the term *“Contingent Obligation”* shall not include the indorsement of instruments for deposit or collection in the ordinary course of business.

“Continuing Director”: any member of the board of directors of the Borrower who (i) is a member of that board of directors on the Effective Date or (ii) was nominated for election by the board of directors a majority of whom were directors on the Effective Date or whose election or nomination for election was previously approved by one or more of such directors.

“Control Person”: as defined in Section 3.6.

“Convert”, *“Conversion”* and *“Converted”*: each, a reference to a conversion pursuant to Section 3.3 of one Type of Loan into another Type of Loan.

“Costs”: as defined in Section 3.6.

“Credit Exposure”: with respect to any Lender at any time, the outstanding principal balance of all Loans of such Lender at such time under this Agreement.

“Credit Parties”: a collective reference to the Agents, the Arrangers and the Lenders.

“CVS Share Repurchase”: as defined in Section 2.4.

“Default”: any of the events specified in Section 9.1, whether any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“Disposition”: with respect to any Person, any sale, assignment, transfer or other disposition by such Person by any means, of:

- (a) the Stock of, or other equity interests of, any other Person,
- (b) any business, operating entity, division or segment thereof, or
- (c) any other Property of such Person, other than (i) the sale of inventory (other than in connection with bulk transfers), (ii) the disposition of equipment and (iii) the sale of cash investments.

“Dividend Restrictions”: as defined in Section 8.7.

“Dollar” or “\$”: lawful currency of the United States of America.

“Domestic Business Day”: any day (other than a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City.

“Effective Date”: as defined in Section 11.20.

“Eligible Assignee”: (i) any commercial bank, investment bank, trust company, banking association, financial institution, mutual fund, pension fund or any Approved Fund or (ii) any Lender or any Affiliate or any Approved Fund of such Lender.

“Eligible SPC”: a special purpose corporation that (i) is organized under the laws of the United States or any state thereof, (ii) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody’s.

“Employee Benefit Plan”: an employee benefit plan, within the meaning of Section 3(3) of ERISA, maintained, sponsored or contributed to by the Borrower, any Subsidiary or any ERISA Affiliate.

“Environmental Laws”: all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability”: as to any Person, any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of such Person directly or indirectly resulting from or based upon (i) violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) exposure to any Hazardous Materials, (iv) the release or threatened release of any Hazardous Materials into the environment or (v) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“*ERISA*”: the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

“*ERISA Affiliate*”: when used with respect to an Employee Benefit Plan, ERISA, the PBGC or a provision of the Internal Revenue Code pertaining to employee benefit plans, any Person that is a member of any group of organizations within the meaning of Sections 414(b) or (c) of the Internal Revenue Code or, solely with respect to the applicable provisions of the Internal Revenue Code, Sections 414(m) or (o) of the Internal Revenue Code, of which the Borrower or any Subsidiary is a member.

“*ESOP Guaranty*”: the guaranty of the 8.52% ESOP Note maturing 2008 in the aggregate unpaid principal amount, as of December 30, 2006, of \$82,100,000.

“*Eurodollar Advance*”: a portion of the Loans selected by the Borrower to bear interest during a Eurodollar Interest Period selected by the Borrower at a rate per annum based upon a Eurodollar Rate determined with reference to such Eurodollar Interest Period, all pursuant to and in accordance with Section 2.2 or Section 3.3.

“*Eurodollar Base Rate*”: with respect to each day during each Eurodollar Interest Period in effect for each Eurodollar Advance and as determined by the Administrative Agent, the rate *per annum* determined on the basis of the rate for deposits in Dollars for a period equal to such Eurodollar Interest Period commencing on the first day of such Eurodollar Interest Period appearing the Reuters Screen LIBORO1 Page as of 11:00 A.M., London time, two Business Days prior to the beginning of such Eurodollar Interest Period. In the event that such rate does not appear on the Reuters Screen LIBORO1 Page (or otherwise on such screen), the “Eurodollar Base Rate” for purposes of this definition shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent.

“*Eurodollar Business Day*”: any Domestic Business Day, other than a Domestic Business Day on which banks are not open for dealings in Dollar deposits in the interbank eurodollar market.

“*Eurodollar Interest Period*”: the period commencing on any Eurodollar Business Day selected by the Borrower in accordance with Section 2.2 or Section 3.3 and ending (A) one, two, three or six months or (B) a certain number of days (such number of days referred to in this clause (B) referred to herein as the “Shorter Period”) in each case thereafter, as selected by the Borrower in accordance with either such Sections, subject to the following:

- (i) if any Eurodollar Interest Period would otherwise end on a day which is not a Eurodollar Business Day, such Eurodollar Interest Period shall be extended to the immediately succeeding Eurodollar Business Day unless the result of such extension would be to carry the end of such Eurodollar Interest Period into another calendar month, in which event such Eurodollar Interest Period shall end on the Eurodollar Business Day immediately preceding such day;

(ii) if any Eurodollar Interest Period shall begin on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Eurodollar Interest Period), such Eurodollar Interest Period shall end on the last Eurodollar Business Day of such latter calendar month, except as otherwise provided in clause (iii) below; and

(iii) notwithstanding anything contained in the foregoing to the contrary, in the case of clause (B) above in this definition only, the number of days selected may only be (x) seven days, in the case of a Borrowing Request delivered on the Effective Date for Loans, the proceeds of which will be used to finance a portion of the Special Dividend, or (y) that number of days to (and including) the Maturity Date; *provided* that the number of days selected shall not exceed 30 days, and to the extent that the Borrower has selected a Eurodollar Interest Period under such clause (B) in accordance with the provisions of this definition, then such Eurodollar Interest Period shall end on the Maturity Date.

“Eurodollar Rate”: with respect to each day during each Eurodollar Interest Period in effect for each Eurodollar Advance and as determined by the Administrative Agent, a rate per annum determined for such day in accordance with the following formula (rounded, if necessary, to the nearest 1/100 of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%):

Eurodollar Base Rate

1.00 minus Eurocurrency Reserve Requirements

“Eurocurrency Reserve Requirements”: for any day, the aggregate (without duplication) of the maximum rates (expressed as a decimal or a fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves) under any regulations of the Board of Governors of the Federal Reserve System, or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board of Governors of the Federal Reserve System, as amended) maintained by a member bank of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Eurodollar Interest Period.

“Event of Default”: any of the events specified in Section 9.1, *provided* that any requirement for the giving of notice, the lapse of time, or both, or any other condition has been satisfied.

“Excluded Debt”: any Indebtedness of the Borrower under (x) the Existing Credit Agreements and (y) any indebtedness under any bank credit facility of the Borrower to the extent the proceeds thereof are used to repay Indebtedness under (i) any bank credit facility of the Borrower existing on the Effective Date or (ii) the Existing Credit Agreements.

“Existing 2004 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of June 11, 2004, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Securities, Inc., as co-syndication agents, ABN AMRO Bank N.V., as documentation agent, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2005 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of June 3, 2005, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Bank, National Association, as co-syndication agents, SunTrust Bank, as documentation agent, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2006 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of May 12, 2006, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Lehman Brothers Inc. and Wachovia Bank, National Association, as co-syndication agents, KeyBank National Association, as documentation agent, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2007 Five Year Credit Agreement”: the Five Year Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as co-syndication agents, Morgan Stanley Senior Funding, Inc., as documentation agent, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing 2007 364-Day Credit Agreement”: the 364-Day Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as co-syndication agents, and The Bank of New York, as administrative agent, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Existing Credit Agreements”: collectively, the Existing 2004 Five Year Credit Agreement, the Existing 2005 Five Year Credit Agreement, the Existing 2006 Five Year Credit Agreement, the Existing 2007 Five Year Credit Agreement and the Existing 2007 364-Day Credit Agreement.

“Expiration Date”: the earlier of (a) the Maturity Date and (b) the date on which the Loans shall become due and payable, whether by acceleration, notice of intention to prepay or otherwise.

“Facility Fee”: as defined in Section 3.11.

“Facility Fee Termination Date”: the first date, occurring on or after the date the Commitments have been terminated, upon which there shall be no Loans outstanding.

“Federal Funds Effective Rate”: for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Domestic Business Day, for the next preceding Domestic Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Domestic Business Day, the average (rounded, if necessary, to the nearest 1/100 of 1% or, if there is no nearest 1/100 of 1%, then to the next higher 1/100 of 1%) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

“Fees”: as defined in Section 3.2(a).

“Financial Statements”: as defined in Section 4.13.

“Foreign Lender”: any Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

“GAAP”: generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority”: any foreign, federal, state, municipal or other government, or any department, commission, board, bureau, agency, public authority or instrumentality thereof, or any court or arbitrator.

“Granting Lender”: as defined in Section 11.7(h).

“Hazardous Materials”: all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Highest Lawful Rate”: as to any Lender, the maximum rate of interest, if any, which at any time or from time to time may be contracted for, taken, charged or received on the Loans or the Notes or which may be owing to such Lender pursuant to this Agreement under the laws applicable to such Lender and this Agreement.

“Indebtedness”: as to any Person at a particular time, all items of such Person which constitute, without duplication, (a) indebtedness for borrowed money or the deferred purchase price of Property (other than trade payables and accrued expenses incurred in the ordinary course of business), (b) indebtedness evidenced by notes, bonds, debentures or similar instruments, (c) indebtedness with respect to any conditional sale or other title retention

agreement, (d) indebtedness arising under acceptance facilities and the amount available to be drawn under all letters of credit (excluding for purposes of Section 8.1 and Section 8.9 letters of credit obtained in the ordinary course of business by the Borrower or any Subsidiary) issued for the account of such Person and, without duplication, all drafts drawn thereunder to the extent such Person shall not have reimbursed the issuer in respect of the issuer's payment of such drafts, (e) that portion of any obligation of such Person, as lessee, which in accordance with GAAP is required to be capitalized on a balance sheet of such Person, (f) all indebtedness described in clauses (a) through and including (e) above secured by any Lien on any Property owned by such Person even though such Person shall not have assumed or otherwise become liable for the payment thereof (other than carriers', warehousemen's, mechanics', repairmen's or other like non-consensual Liens arising in the ordinary course of business), and (g) Contingent Obligations in respect of any indebtedness described in clauses (a) through and including (f) above; *provided* that, for purposes of this definition, Indebtedness shall not include Intercompany Debt and obligations in respect of interest rate caps, collars, exchanges, swaps or other, similar agreements.

"Indemnified Liabilities": as defined in Section 11.5.

"Indemnified Person": as defined in Section 11.10.

"Intercompany Debt": (i) Indebtedness of the Borrower to one or more of the Subsidiaries of the Borrower and (ii) Indebtedness of one or more of the Subsidiaries of the Borrower to the Borrower or any one or more of the other Subsidiaries of the Borrower.

"Intercompany Disposition": a Disposition by the Borrower or any of the Subsidiaries of the Borrower to the Borrower or to any of the other Subsidiaries of the Borrower.

"Interest Payment Date": (i) as to any ABR Advance, the last day of each March, June, September and December, commencing on the first of such days to occur after such ABR Advance is made or any Eurodollar Advance is converted to an ABR Advance, (ii) as to any Eurodollar Advance in respect of which the Borrower has selected a Eurodollar Interest Period of the Shorter Period, the last day of such Eurodollar Interest Period, (iii) as to any Eurodollar Advance in respect of which the Borrower has selected a Eurodollar Interest Period of one, two or three months, the last day of such Eurodollar Interest Period, and (iv) as to any Eurodollar Advance in respect of which the Borrower has selected a Eurodollar Interest Period greater than three months, the last day of the third month of such Eurodollar Interest Period and the last day of such Eurodollar Interest Period.

"Internal Revenue Code": the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

"LCPP": Lehman Commercial Paper Inc.

"Lender": as defined in the preamble.

“Lien”: any mortgage, pledge, hypothecation, assignment, lien, deposit arrangement, charge, encumbrance or other security arrangement or security interest of any kind, or the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

“Loan” or “Loans”: as defined in Section 2.1(a).

“Loan Documents”: this Agreement and, upon the execution and delivery thereof, the Notes, if any.

“Margin Stock”: any “margin stock”, as said term is defined in Regulation U of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time.

“Material Adverse”: with respect to any change or effect, a material adverse change in, or effect on, as the case may be, (i) the financial condition, operations, business, or Property of the Borrower and the Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the ability of the Administrative Agent or any Lender to enforce the Loan Documents.

“Maturity Date”: the date that is the earlier of (x) 364 days after the Effective Date, and (y) June 30, 2008.

“Moody’s”: Moody’s Investors Service, Inc.

“Multiemployer Plan”: a Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Proceeds”: with respect to (a) the issuance of any equity securities or hybrid securities by the Borrower or any of its Subsidiaries in a registered public offering or private placement or (b) the issuance of long term Indebtedness by the Borrower or any of its Subsidiaries in a registered public offering or a private placement or under any new bank credit facility (excluding any Excluded Debt).

“Net Worth”: at any date of determination, the sum of all amounts which would be included under shareholders’ equity on a Consolidated balance sheet of the Borrower and the Subsidiaries determined in accordance with GAAP as at such date.

“Note”: with respect to each Lender that has requested one, a promissory note evidencing such Lender’s Loans payable to the order of such Lender (or, if required by such Lender, to such Lender and its registered assigns), substantially in the form of Exhibit B.

“Participant”: as defined in Section 11.7(e).

“PATRIOT Act”: as defined in Section 11.21.

“*PBGC*”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, or any Governmental Authority succeeding to the functions thereof.

“*Pension Plan*”: at any time, any Employee Benefit Plan (including a Multiemployer Plan) subject to Section 302 of ERISA or Section 412 of the Internal Revenue Code, the funding requirements of which are, or at any time within the six years immediately preceding the time in question, were in whole or in part, the responsibility of the Borrower, any Subsidiary or an ERISA Affiliate.

“*Person*”: any individual, firm, partnership, limited liability company, joint venture, corporation, association, business trust, joint stock company, unincorporated association, trust, Governmental Authority or any other entity, whether acting in an individual, fiduciary, or other capacity, and for the purpose of the definition of “ERISA Affiliate”, a trade or business.

“*Pricing Level*”: Pricing Level I, Pricing Level II, Pricing Level III, Pricing Level IV, Pricing Level V, Pricing Level VI or Pricing Level VII, as the case may be.

“*Pricing Level I*”: any time when the senior unsecured long term debt rating of the Borrower by (x) S&P is A+ or higher or (y) Moody’s is A1 or higher.

“*Pricing Level II*”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is A or higher or (y) Moody’s is A2 or higher and (ii) Pricing Level I does not apply.

“*Pricing Level III*”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is A- or higher or (y) Moody’s is A3 or higher and (ii) neither Pricing Level I nor II applies.

“*Pricing Level IV*”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB+ or higher or (y) Moody’s is Baa1 or higher and (ii) none of Pricing Level I, II or III applies.

“*Pricing Level V*”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB or higher or (y) Moody’s is Baa2 or higher and (ii) none of Pricing Level I, II, III or IV applies.

“*Pricing Level VI*”: any time when (i) the senior unsecured long term debt rating of the Borrower by (x) S&P is BBB- or higher or (y) Moody’s is Baa3 or higher and (ii) none of Pricing Level I, II, III, IV or V applies.

“*Pricing Level VII*”: any time when none of Pricing Level I, II, III, IV, V or VI applies.

Notwithstanding each definition of Pricing Level set forth above, if at any time the senior unsecured long term debt ratings of the Borrower by S&P and Moody’s differ by more

than one equivalent rating level, then the applicable Pricing Level shall be determined based upon the lower such rating adjusted upwards to the next higher rating level.

“Prime Rate”: the prime lending rate as set forth on the British Banking Association Telerate Page 5 (or such other comparable page as may, in the opinion of the Administrative Agent, replace such page for the purpose of displaying such rate), as in effect from time to time.

“Pro Rata Percentage”: with respect to any Lender, at any time of determination (a) at any time prior to the earlier of (x) the third Borrowing Date or (y) the last day of the Commitment Period, such Lender’s Commitment Percentage, and (b) at any time thereafter, a fraction (expressed as a percentage), the numerator of which shall be the amount of such Lender’s Credit Exposure at such time and the denominator of which shall be the Aggregate Credit Exposure of all Lenders.

“Prohibited Transaction”: a transaction that is prohibited under Section 4975 of the Internal Revenue Code or Section 406 of ERISA and not exempt under Section 4975 of the Internal Revenue Code or Section 408 of ERISA.

“Property”: in respect of any Person, all types of real, personal or mixed property and all types of tangible or intangible property owned or leased by such Person.

“Regulatory Change”: (a) the introduction or phasing in of any law, rule or regulation after the date hereof, (b) the issuance or promulgation after the date hereof of any directive, guideline or request from any central bank or United States or foreign Governmental Authority (whether or not having the force of law), or (c) any change after the date hereof in the interpretation of any existing law, rule, regulation, directive, guideline or request by any central bank or United States or foreign Governmental Authority charged with the administration thereof, in each case applicable to the transactions contemplated by this Agreement.

“Related Parties”: with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Replaced Lender”: as defined in Section 3.13.

“Replacement Lender”: as defined in Section 3.13.

“Reportable Event”: with respect to any Pension Plan, (a) any event set forth in Sections 4043(c) (other than a Reportable Event as to which the 30 day notice requirement is waived by the PBGC under applicable regulations), 4062(e) or 4063(a) of ERISA, or the regulations thereunder, (b) an event requiring the Borrower, any Subsidiary or any ERISA Affiliate to provide security to a Pension Plan under Section 401(a)(29) of the Internal Revenue Code, or (c) the failure to make any payment required by Section 412(m) of the Internal Revenue Code.

“Required Lenders”: (a) at any time during the Commitment Period, Lenders having Commitments and Credit Exposure equal to or more than 51% of the Aggregate Available Commitments plus the Aggregate Credit Exposure, and (b) at all other times, Lenders having Credit Exposure equal to or more than 51% of the Aggregate Credit Exposure.

“Restricted Payment”: with respect to any Person, any of the following, whether direct or indirect: (a) the declaration or payment by such Person of any dividend or distribution on any class of Stock of such Person, other than a dividend payable solely in shares of that class of Stock to the holders of such class, (b) the declaration or payment by such Person of any distribution on any other type or class of equity interest or equity investment in such Person, and (c) any redemption, retirement, purchase or acquisition of, or sinking fund or other similar payment in respect of, any class of Stock of, or other type or class of equity interest or equity investment in, such Person.

“Restrictive Agreement”: as defined in Section 8.7.

“S&P”: Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“Shorter Period”: as defined in the definition of Eurodollar Interest Period.

“Solvent”: with respect to any Person on a particular date, the condition that on such date, (i) the fair value of the Property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (iv) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s Property would constitute an unreasonably small amount of capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability after taking into account probable payments by co-obligors.

“Special Counsel”: such counsel as the Administrative Agent may engage from time to time.

“Stock”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“Subsidiary”: at any time and from time to time, any corporation, association, partnership, limited liability company, joint venture or other business entity of which the Borrower and/or any Subsidiary of the Borrower, directly or indirectly at such time, either (a) in respect of a corporation, owns or controls more than 50% of the outstanding stock having ordinary voting power to elect a majority of the board of directors or similar managing body,

irrespective of whether a class or classes shall or might have voting power by reason of the happening of any contingency, or (b) in respect of an association, partnership, limited liability company, joint venture or other business entity, is entitled to share in more than 50% of the profits and losses, however determined.

“Tangible Net Worth”: at any date of determination, Net Worth less all assets of the Borrower and its Subsidiaries included in such Net Worth, determined on a Consolidated basis at such date, that would be classified as intangible assets in accordance with GAAP.

“Termination Event”: with respect to any Pension Plan, (a) a Reportable Event, (b) the termination of a Pension Plan under Section 4041(c) of ERISA, or the filing of a notice of intent to terminate a Pension Plan under Section 4041(c) of ERISA, or the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA (except an amendment made after such Pension Plan satisfies the requirement for a standard termination under Section 4041(b) of ERISA), (c) the institution of proceedings by the PBGC to terminate a Pension Plan under Section 4042 of ERISA, or (d) the appointment of a trustee to administer any Pension Plan under Section 4042 of ERISA.

“Total Capitalization”: at any date, the sum of the Borrower’s Consolidated Indebtedness and shareholders’ equity on such date, determined in accordance with GAAP.

“Type”: with respect to any Loan, the characteristic of such Loan as an ABR Advance or a Eurodollar Advance, each of which constitutes a Type of Loan.

“Unqualified Amount”: as defined in Section 3.4(c).

“Upstream Dividends”: as defined in Section 8.7.

“Waiver Agreement”: the Waiver Agreement, dated as of January 16, 2007 between the Borrower and Caremark with respect to the Caremark Merger Agreement (as amended by that certain amendment to Waiver Agreement, dated as of February 12, 2007, and that certain amendment to Waiver Agreement, dated as of March 8, 2007).

SECTION 1.2 Principles of Construction

(a) All capitalized terms defined in this Agreement shall have the meanings given such capitalized terms herein when used in the other Loan Documents or in any certificate, opinion or other document made or delivered pursuant hereto or thereto, unless otherwise expressly provided therein.

(b) Unless otherwise expressly provided herein, the word *“fiscal”* when used herein shall refer to the relevant fiscal period of the Borrower. As used in the Loan Documents and in any certificate, opinion or other document made or delivered pursuant thereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words “*hereof*”, “*herein*”, “*hereto*” and “*hereunder*” and similar words when used in each Loan Document shall refer to such Loan Document as a whole and not to any particular provision of such Loan Document, and Section, schedule and exhibit references contained therein shall refer to Sections thereof or schedules or exhibits thereto unless otherwise expressly provided therein.

(d) All references herein to a time of day shall mean the then applicable time in New York, New York, unless otherwise expressly provided herein.

(e) Section headings have been inserted in the Loan Documents for convenience only and shall not be construed to be a part thereof. Unless the context otherwise requires, words in the singular number include the plural, and words in the plural include the singular.

(f) Whenever in any Loan Document or in any certificate or other document made or delivered pursuant thereto, the terms thereof require that a Person sign or execute the same or refer to the same as having been so signed or executed, such terms shall mean that the same shall be, or was, duly signed or executed by (i) in respect of any Person that is a corporation, any duly authorized officer thereof, and (ii) in respect of any other Person (other than an individual), any analogous counterpart thereof.

(g) The words “*include*” and “*including*”, when used in each Loan Document, shall mean that the same shall be included “without limitation”, unless otherwise specifically provided.

ARTICLE 2

AMOUNT AND TERMS OF LOANS

SECTION 2.1

Loans

(a) Subject to the terms and conditions hereof (including the satisfaction of the conditions set forth in Article 5), each Lender severally (and not jointly) agrees to make loans under this Agreement (each a “*Loan*” and, collectively with each other Loan of such Lender and/or with each Loan of each other Lender, the “*Loans*”) at any time and from time to time during the Commitment Period to the Borrower in an aggregate amount which does not exceed the amount of such Lender’s Commitment, provided that, (i) the aggregate amount of Loans made to finance the CVS Share Repurchase shall not exceed \$5,250,000,000 and there shall not be more than two Borrowing Dates with respect thereto, (ii) the aggregate amount of Loans made to finance the Caremark Special Dividend shall not exceed \$500,000,000 and there shall not be more than one Borrowing Date with respect thereto and (iii) any remaining Commitment that is not borrowed shall automatically expire on the date that is the earlier of (x) the third Borrowing Date and (y) the last day of the Commitment Period. Once repaid, no Loan may be reborrowed. At the option of the Borrower, indicated in a Borrowing Request, Loans may be made as ABR Advances or Eurodollar Advances.

(b) The aggregate outstanding principal balance of all Loans shall be due and payable on the Expiration Date.

(c) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender holding a Loan or Loans the then unpaid principal amount of such Loan or Loans on the Expiration Date, together with all accrued and unpaid interest, if any, and any and all amounts payable pursuant to Section 3.5.

SECTION 2.2

Notice of Borrowing Loans

The Borrower agrees to notify the Administrative Agent in writing, which notification shall be irrevocable, no later than (a) 9:00 A.M. on the proposed Borrowing Date if the Loans made on such Borrowing Date will consist of ABR Advances and (b) 10:00 A.M. at least two Eurodollar Business Days prior to the proposed Borrowing Date if the Loans made on such Borrowing Date will consist of Eurodollar Advances. Each such notice shall specify (i) the aggregate amount requested to be borrowed under the Commitments, (ii) the proposed Borrowing Date, (iii) whether the borrowing of Loans is to be of ABR Advances or Eurodollar Advances, and the amount of each thereof and (iv) if applicable, the Eurodollar Interest Period for such Eurodollar Advances. Each such notice shall be made by delivery to the Administrative Agent of a Borrowing Request. Any Eurodollar Advance made on a Borrowing Date shall equal no less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof. Any ABR Advance made on a Borrowing Date shall equal no less than \$1,000,000 or an integral multiple of \$500,000 in excess thereof. The Administrative Agent shall promptly notify each Lender (by fax or other writing) of such Borrowing Request. Subject to its receipt of each such notice from the Administrative Agent and subject to the terms and conditions hereof, each Lender shall make immediately available funds available to the Administrative Agent at the address therefor set forth in Section 11.2 not later than 1:00 P.M. on each Borrowing Date in an amount equal to such Lender's Commitment Percentage of Loans requested by the Borrower on such Borrowing Date.

SECTION 2.3

[Intentionally Omitted]

SECTION 2.4

Use of Proceeds

The Borrower agrees that the proceeds of the Loans shall be used solely to finance (i) the repurchase (the "*CVS Share Repurchase*") of up to \$5,250,000,000 of the Borrower's outstanding common stock after the consummation of the Caremark Acquisition through a tender offer, an accelerated share repurchase program and/or open market repurchases and (ii) up to \$500,000,000 of the Caremark Special Dividend in connection with the Caremark Acquisition. Notwithstanding anything to the contrary contained in any Loan Document, the Borrower further agrees that no part of the proceeds of any Loan will be used, directly or indirectly, and whether immediately, incidentally or ultimately (i) for a purpose which violates any law, rule or regulation of any Governmental Authority, including the provisions of Regulations U or X of the Board of Governors of the Federal Reserve System, as amended, or any provision of this Agreement, including, without limitation, the provisions of Section 4.9 or (ii) to make a loan to any director or executive officer of the Borrower or any Subsidiary.

SECTION 2.5

Termination or Reduction of Commitments

(a) *Voluntary Termination or Reductions.* At the Borrower's option and upon at least three Domestic Business Days' prior irrevocable notice to the Administrative Agent, the Borrower may (i) terminate the Commitments at any time, or (ii) permanently reduce the Aggregate Commitment Amount in part at any time and from time to time, *provided* that each such partial reduction shall be in an amount equal to at least \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, and *provided further* that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the consummation of the issuance of long term Indebtedness, equity securities or hybrid securities (such notice to specify the proposed effective date), in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to such specified effective date) if such condition is not satisfied, and the Borrower shall indemnify the Lenders in accordance with Section 3.5.

(b) *Mandatory Reductions.* The Aggregate Commitment Amount shall be automatically and permanently reduced by an amount equal to the Net Proceeds (if any) received by or on behalf of the Borrower or any Subsidiary; and such reduction shall be effective upon receipt by the Borrower or any Subsidiary of such Net Proceeds.

(c) *In General.* Each reduction of the Aggregate Commitment Amount shall be made by reducing each Lender's Commitment Amount by a sum equal to such Lender's Commitment Percentage of the amount of such reduction.

(d) *Termination.* In addition to any termination or reduction of the Commitments as otherwise provided herein, the Commitments shall terminate immediately on the date that is the earlier of (x) the third Borrowing Date and (y) the last day of the Commitment Period; *provided, however*, that if no Loans shall have been made pursuant to Section 2.1(a) on or before 1:00 P.M. on November 1, 2007, then the Commitments shall be automatically terminated and the Aggregate Commitment Amount shall be reduced to zero at such time on such date.

SECTION 2.6

Prepayments of Loans

(a) *Voluntary Prepayments.* The Borrower may prepay Loans, in whole or in part, without premium or penalty, but subject to Section 3.5 at any time and from time to time, by notifying the Administrative Agent, which notification shall be irrevocable, at least two Eurodollar Business Days, in the case of a prepayment of Eurodollar Advances, or one Domestic Business Day, in the case of a prepayment of ABR Advances, prior to the proposed prepayment date specifying (i) the Loans to be prepaid, (ii) the amount to be prepaid, and (iii) the date of prepayment. Upon receipt of each such notice, the Administrative Agent shall promptly notify each Lender thereof. Each such notice given by the Borrower pursuant to this Section shall be irrevocable; *provided* that, a notice of prepayment delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the consummation of the issuance of long term Indebtedness, equity securities or hybrid securities (such notice to specify the proposed effective date), in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to such specified effective date) if

such condition is not satisfied, and the Borrower shall indemnify the Lenders in accordance with Section 3.5. Each partial prepayment under this Section shall be in a minimum amount of \$1,000,000 (\$500,000 in the case of ABR Advances) or an integral multiple of \$1,000,000 (\$100,000 in the case of ABR Advances) in excess thereof.

(b) *Mandatory Prepayments.* In the event and on each occasion that any Net Proceeds are received by or on behalf of the Borrower or any Subsidiary, then, after such Net Proceeds are received (but no later than one Business Day thereafter), the Borrower shall prepay the Loans in an aggregate amount equal to such Net Proceeds.

(c) *Caremark Acquisition Prepayment.* In the event that the Borrower borrows Loans hereunder in anticipation of consummation of the Caremark Acquisition and the payment of the Caremark Special Dividend, and the closing of the Caremark Acquisition does not occur within four Domestic Business Days after such borrowing, then the Borrower shall prepay such Loans in full no later than the fifth Domestic Business Day following such borrowing.

(d) *In General.* Simultaneously with each prepayment hereunder, the Borrower shall prepay all accrued interest on the amount prepaid through the date of prepayment and indemnify the Lenders in accordance with Section 3.5.

SECTION 2.7

Notes

Any Lender may request that the Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Person or, if requested by such Person, such Person and its registered assigns. Thereafter, all Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 11.7) be represented by a Note in like form payable to the order of the payee named therein and its registered assigns.

ARTICLE 3

PROCEEDS, PAYMENTS, CONVERSIONS, INTEREST, YIELD PROTECTION AND FEES

SECTION 3.1

Disbursement of the Proceeds of Loans

The Administrative Agent shall disburse the proceeds of Loans by wire transfer of the funds received from each Lender to the account of the Borrower designated by the Borrower in writing to the Administrative Agent. Unless the Administrative Agent shall have received prior notice from a Lender (by fax or other writing) that such Lender will not make available to the Administrative Agent such Lender's Commitment Percentage of the Loan to be made by it on a Borrowing Date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such Borrowing Date in accordance with this Section, *provided* that such Lender received notice thereof from the Administrative Agent in accordance with the terms hereof, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such Borrowing Date a corresponding amount.

If and to the extent such Lender shall not have so made such amount available to the Administrative Agent, such Lender and the Borrower severally agree to pay to the Administrative Agent, forthwith on demand, such corresponding amount (to the extent not previously paid by the other), together with interest thereon for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Administrative Agent, at a rate per annum equal to, in the case of the Borrower, the applicable interest rate set forth in Section 3.4(a) and, in the case of such Lender, the Federal Funds Effective Rate from the date such payment is due until the third day after such date and, thereafter, at the Federal Funds Effective Rate *plus* 2%. Any such payment by the Borrower shall be without prejudice to its rights against such Lender. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Loan as part of such Loans for purposes of this Agreement, which Loan shall be deemed to have been made by such Lender on the Borrowing Date applicable to such Loans.

SECTION 3.2

Payments

(a) Each payment, including each prepayment, of principal and interest on the Loans and of the Facility Fee (collectively, together with all of the other fees to be paid to the Administrative Agent and the Lenders in connection with the Loan Documents, the "*Fees*"), and of all of the other amounts to be paid to the Administrative Agent and the Lenders in connection with the Loan Documents shall be made by the Borrower to the Administrative Agent at its office specified in Section 11.2 without setoff, deduction or counterclaim in funds immediately available in New York by 3:00 P.M. on the due date for such payment. The failure of the Borrower to make any such payment by such time shall not constitute a default hereunder, *provided* that such payment is made on such due date, but any such payment made after 3:00 P.M. on such due date shall be deemed to have been made on the next Domestic Business Day or Eurodollar Business Day, as the case may be, for the purpose of calculating interest on amounts outstanding on the Loans. If the Borrower has not made any such payment prior to 3:00 P.M., the Borrower hereby authorizes the Administrative Agent to deduct the amount of any such payment from such account(s) as the Borrower may from time to time designate in writing to the Administrative Agent, upon which the Administrative Agent shall apply the amount of such deduction to such payment. Promptly upon receipt thereof by the Administrative Agent, each payment of principal and interest on the Loans shall be remitted by the Administrative Agent in like funds as received to each Lender (a) first, *pro rata* according to the amount of interest which is then due and payable to the Lenders, and (b) second, *pro rata* according to the amount of principal which is then due and payable to the Lenders. Each payment of the Facility Fee payable to the Lenders shall be promptly transmitted by the Administrative Agent in like funds as received to each Lender *pro rata* according to such Lender's Commitment Amount or, if the Commitments shall have terminated or been terminated, according to the outstanding principal amount of such Lender's Loans.

(b) If any payment hereunder or under the Loans shall be due and payable on a day which is not a Domestic Business Day or Eurodollar Business Day, as the case may be, the due date thereof (except as otherwise provided in the definition of Eurodollar Interest Period) shall be extended to the next Domestic Business Day or Eurodollar Business Day, as the case

may be, and (except with respect to payments of the Facility Fee) interest shall be payable at the applicable rate specified herein during such extension.

SECTION 3.3

Conversions; Other Matters

(a) The Borrower may elect at any time and from time to time to Convert one or more Eurodollar Advances to an ABR Advance by giving the Administrative Agent at least one Domestic Business Day's prior irrevocable notice of such election, specifying the amount to be so Converted. In addition, the Borrower may elect at any time and from time to time to Convert an ABR Advance to any one or more new Eurodollar Advances or to Convert any one or more existing Eurodollar Advances to any one or more new Eurodollar Advances by giving the Administrative Agent no later than 10:00 A.M. at least two Eurodollar Business Days' prior irrevocable notice, in the case of a Conversion to Eurodollar Advances, of such election, specifying the amount to be so Converted and the initial Eurodollar Interest Period relating thereto, *provided* that any Conversion of an ABR Advance to Eurodollar Advances shall only be made on a Eurodollar Business Day. The Administrative Agent shall promptly provide the Lenders with notice of each such election. Each Conversion of Loans from one Type to another shall be made pro rata according to the outstanding principal amount of the Loans of each Lender. ABR Advances and Eurodollar Advances may be Converted pursuant to this Section in whole or in part, *provided* that the amount to be Converted to each Eurodollar Advance, when aggregated with any Eurodollar Advance to be made on such date in accordance with Section 2.1 and having the same Eurodollar Interest Period as such first Eurodollar Advance, shall equal no less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall have no right to elect to Convert any existing ABR Advance to a new Eurodollar Advance or to Convert any existing Eurodollar Advance to a new Eurodollar Advance. In such event, such ABR Advance shall be automatically continued as an ABR Advance or such Eurodollar Advance shall be automatically Converted to an ABR Advance on the last day of the Eurodollar Interest Period applicable to such Eurodollar Advance. The foregoing shall not affect any other rights or remedies that the Administrative Agent or any Lender may have under this Agreement or any other Loan Document.

(c) Each Conversion shall be effected by each Lender by applying the proceeds of each new ABR Advance or Eurodollar Advance, as the case may be, to the existing Advance (or portion thereof) being Converted (it being understood that such Conversion shall not constitute a borrowing for purposes of Article 4, Article 5 or Article 6).

(d) Notwithstanding any other provision of any Loan Document:

(i) if the Borrower shall have failed to elect a Eurodollar Advance under Section 2.2 or this Section 3.3, as the case may be, in connection with any borrowing of new Loans or expiration of an Eurodollar Interest Period with respect to any existing Eurodollar Advance, the amount of the Loans subject to such borrowing or such existing Eurodollar Advance shall thereafter be an ABR Advance until such time, if any, as the Borrower shall elect a new Eurodollar Advance pursuant to this Section 3.3,

(ii) the Borrower shall not be permitted to select a Eurodollar Advance the Eurodollar Interest Period in respect of which ends later than the Maturity Date, and

(iii) the Borrower shall not be permitted to have more than ten Eurodollar Advances outstanding at any one time, it being understood and agreed that each borrowing of Eurodollar Advances pursuant to a single Borrowing Request shall constitute the making of one Eurodollar Advance for the purpose of calculating such limitation.

SECTION 3.4

Interest Rates and Payment Dates

(a) *Prior to Maturity.* Except as otherwise provided in Section 3.4(b) and Section 3.4(c), the Loans shall bear interest on the unpaid principal balance thereof at the applicable interest rate or rates per annum set forth below:

<i>LOANS</i>	<i>RATE</i>
Loans constituting ABR Advances	Alternate Base Rate applicable thereto <i>plus</i> the Applicable Margin.
Loans constituting Eurodollar Advances	Eurodollar Rate applicable thereto <i>plus</i> the Applicable Margin.

(b) *After Maturity, Late Payment Rate.* After maturity, whether by acceleration, notice of intention to prepay or otherwise, the outstanding principal balance of the Loans shall bear interest at the Alternate Base Rate *plus* 2% per annum until paid (whether before or after the entry of any judgment thereon). Any payment of principal, interest or any Fees not paid on the date when due and payable shall bear interest at the Alternate Base Rate *plus* 2% per annum from the due date thereof until the date such payment is made (whether before or after the entry of any judgment thereon).

(c) *Highest Lawful Rate.* Notwithstanding anything to the contrary contained in this Agreement, at no time shall the interest rate payable to any Lender on any of its Loans, together with any Fees and all other amounts payable hereunder to such Lender to the extent the same constitute or are deemed to constitute interest, exceed the Highest Lawful Rate. If in respect of any period during the term of this Agreement, any amount paid to any Lender hereunder, to the extent the same shall (but for the provisions of this Section 3.4) constitute or be deemed to constitute interest, would exceed the maximum amount of interest permitted by the Highest Lawful Rate during such period (such amount being hereinafter referred to as an “*Unqualified Amount*”), then (i) such Unqualified Amount shall be applied or shall be deemed to have been applied as a prepayment of the Loans of such Lender, and (ii) if, in any subsequent period during the term of this Agreement, all amounts payable hereunder to such Lender in respect of such period which constitute or shall be deemed to constitute interest shall be less than the maximum amount of interest permitted by the Highest Lawful Rate during such period, then

the Borrower shall pay to such Lender in respect of such period an amount (each a “*Compensatory Interest Payment*”) equal to the lesser of (x) a sum which, when added to all such amounts, would equal the maximum amount of interest permitted by the Highest Lawful Rate during such period, and (y) an amount equal to the aggregate sum of all Unqualified Amounts *less* all other Compensatory Interest Payments.

(d) *General.* Interest shall be payable in arrears on each Interest Payment Date, on the Expiration Date and, to the extent provided in Section 2.6(d), upon each prepayment of the Loans. Any change in the interest rate on the Loans resulting from an increase or a decrease in the Alternate Base Rate or any reserve requirement shall become effective as of the opening of business on the day on which such change shall become effective. The Administrative Agent shall (i) in accordance with its customary practice, provide notice to the Borrower when interest payments are due, and (ii) as soon as practicable, notify the Borrower and the Lenders of the effective date and the amount of each change in the Prime Rate, but any failure to so notify shall not in any manner affect the obligation of the Borrower to pay interest on the Loans in the amounts and on the dates set forth herein. Each determination by the Administrative Agent of the Alternate Base Rate and the Eurodollar Rate pursuant to this Agreement shall be conclusive and binding on the Borrower absent manifest error. The Borrower acknowledges that to the extent interest payable on the Loans is based on the Alternate Base Rate, such rate is only one of the bases for computing interest on loans made by the Lenders, and by basing interest payable on ABR Advances on the Alternate Base Rate, the Lenders have not committed to charge, and the Borrower has not in any way bargained for, interest based on a lower or the lowest rate at which the Lenders may now or in the future make extensions of credit to other Persons. All interest (other than interest calculated with reference to the Prime Rate) shall be calculated on the basis of a 360-day year for the actual number of days elapsed, and all interest determined with reference to the Prime Rate shall be calculated on the basis of a 365/366-day year for the actual number of days elapsed.

SECTION 3.5

Indemnification for Loss

Notwithstanding anything contained herein to the contrary, if: (i) the Borrower shall fail to borrow a Eurodollar Advance or if the Borrower shall fail to Convert a Eurodollar Advance after it shall have given notice to do so in which it shall have requested a Eurodollar Advance pursuant to Section 2.2 or Section 3.3, as the case may be, (ii) a Eurodollar Advance shall be terminated for any reason prior to the last day of the Eurodollar Interest Period applicable thereto, (iii) any repayment or prepayment of the principal amount of a Eurodollar Advance is made for any reason on a date which is prior to the last day of the Eurodollar Interest Period applicable thereto, or (iv) the Borrower shall have revoked a notice of prepayment or notice of termination of the Commitments that was conditioned upon the effectiveness of other credit facilities or the consummation of the issuance of long term Indebtedness or equity securities pursuant to Section 2.5 or Section 2.6, the Borrower agrees to indemnify each Lender against, and to pay on demand directly to such Lender the amount (calculated by such Lender using any method chosen by such Lender which is customarily used by such Lender for such purpose) equal to any loss or expense suffered by such Lender as a result of such failure to borrow or Convert, or such termination, repayment, prepayment or revocation, including any loss, cost or expense suffered by such Lender in liquidating or employing deposits acquired to

fund or maintain the funding of such Eurodollar Advance or redeploying funds prepaid or repaid, in amounts which correspond to such Eurodollar Advance and any reasonable internal processing charge customarily charged by such Lender in connection therewith.

SECTION 3.6

Reimbursement for Costs, Etc.

If at any time or from time to time there shall occur a Regulatory Change and any Lender shall have reasonably determined that such Regulatory Change (i) shall have had or will thereafter have the effect of reducing (A) the rate of return on such Lender's capital or the capital of any Person directly or indirectly owning or controlling such Lender (each a "*Control Person*"), or (B) the asset value (for capital purposes) to such Lender or such Control Person, as applicable, of the Loans, or any participation therein, in any case to a level below that which such Lender or such Control Person could have achieved or would thereafter be able to achieve but for such Regulatory Change (after taking into account such Lender's or such Control Person's policies regarding capital), (ii) will impose, modify or deem applicable any reserve, asset, special deposit or special assessment requirements on deposits obtained in the interbank eurodollar market in connection with the Loan Documents (excluding, with respect to any Eurodollar Advance, any such requirement which is included in the determination of the rate applicable thereto), (iii) will subject such Lender or such Control Person, as applicable, to any tax (documentary, stamp or otherwise) with respect to this Agreement or any Note, or (iv) will change the basis of taxation of payments to such Lender or such Control Person, as applicable, of principal, interest or fees payable under the Loan Documents (except, in the case of clauses (iii) and (iv) above, for any tax or changes in the rate of tax on such Lender's or such Control Person's net income) then, in each such case, within ten days after demand by such Lender, the Borrower shall pay to such Lender or such Control Person, as the case may be, such additional amount or amounts as shall be sufficient to compensate such Lender or such Control Person, as the case may be, for any such reduction, reserve or other requirement, tax, loss, cost or expense (excluding general administrative and overhead costs) (collectively, "*Costs*") attributable to such Lender's or such Control Person's compliance during the term hereof with such Regulatory Change. Each Lender may make multiple requests for compensation under this Section.

Notwithstanding the foregoing, the Borrower will not be required to compensate any Lender for any Costs under this Section 3.6 arising prior to 45 days preceding the date of demand, unless the applicable Regulatory Change giving rise to such Costs is imposed retroactively. In the case of retroactivity, such notice shall be provided to the Borrower not later than 45 days from the date that such Lender learned of such Regulatory Change. The Borrower's obligation to compensate such Lender shall be contingent upon the provision of such timely notice (but any failure by such Lender to provide such timely notice shall not affect the Borrower's obligations with respect to (i) Costs incurred from the date as of which such Regulatory Change became effective to the date that is 45 days after the date such Lender reasonably should have learned of such Regulatory Change and (ii) Costs incurred following the provision of such notice).

SECTION 3.7

Illegality of Funding

Notwithstanding any other provision hereof, if any Lender shall reasonably determine that any law, regulation, treaty or directive, or any change therein or in the

interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any Eurodollar Advance as contemplated by this Agreement, such Lender shall promptly notify the Borrower and the Administrative Agent thereof, and (a) the commitment of such Lender to make such Eurodollar Advances or Convert ABR Advances to such Eurodollar Advances shall forthwith be suspended, (b) such Lender shall fund its portion of each requested Eurodollar Advance as an ABR Advance and (c) such Lender's Loans then outstanding as such Eurodollar Advances, if any, shall be Converted automatically to an ABR Advance on the last day of the then current Eurodollar Interest Period applicable thereto or at such earlier time as may be required. If the commitment of any Lender with respect to Eurodollar Advances is suspended pursuant to this Section and such Lender shall have obtained actual knowledge that it is once again legal for such Lender to make or maintain Eurodollar Advances, such Lender shall promptly notify the Administrative Agent and the Borrower thereof and, upon receipt of such notice by each of the Administrative Agent and the Borrower, such Lender's commitment to make or maintain Eurodollar Advances shall be reinstated. If the commitment of any Lender with respect to Eurodollar Advances is suspended pursuant to this Section, such suspension shall not otherwise affect such Lender's Commitment.

SECTION 3.8

Option to Fund; Substituted Interest Rate

(a) Each Lender has indicated that, if the Borrower requests a Eurodollar Advance, such Lender may wish to purchase one or more deposits in order to fund or maintain its funding of its Pro Rata Percentage of such Eurodollar Advance during the Eurodollar Interest Period with respect thereto; it being understood that the provisions of this Agreement relating to such funding are included only for the purpose of determining the rate of interest to be paid in respect of such Eurodollar Advance and any amounts owing under Section 3.5 and Section 3.6. Each Lender shall be entitled to fund and maintain its funding of all or any part of each Eurodollar Advance in any manner it sees fit, but all such determinations hereunder shall be made as if such Lender had actually funded and maintained its Pro Rata Percentage of each Eurodollar Advance during the applicable Eurodollar Interest Period through the purchase of deposits in an amount equal to the amount of its Pro Rata Percentage of such Eurodollar Advance and having a maturity corresponding to such Eurodollar Interest Period. Each Lender may fund its Loans from or for the account of any branch or office of such Lender as such Lender may choose from time to time, subject to Section 3.10.

(b) In the event that (i) the Administrative Agent shall have determined in good faith (which determination shall be conclusive and binding upon the Borrower) that by reason of circumstances affecting the interbank eurodollar market either adequate and reasonable means do not exist for ascertaining the Eurodollar Rate applicable pursuant to Section 2.2 or Section 3.3, or (ii) the Required Lenders shall have notified the Administrative Agent that they have in good faith determined (which determination shall be conclusive and binding on the Borrower) that the applicable Eurodollar Rate will not adequately and fairly reflect the cost to such Lenders of maintaining or funding loans bearing interest based on such Eurodollar Rate with respect to any portion of the Loans that the Borrower has requested be made as Eurodollar Advances or any Eurodollar Advance that will result from the requested conversion of any portion of the Loans into Eurodollar Advances (each, an "*Affected Advance*"), the Administrative Agent shall promptly notify the Borrower and the Lenders (by fax or other writing) of such

determination on or, to the extent practicable, prior to the requested Borrowing Date or conversion date for such Affected Advances. If the Administrative Agent shall give such notice, (A) any Affected Advances shall be made as ABR Advances, (B) the Loans (or any portion thereof) that were to have been Converted to Affected Advances shall be Converted to or continued as ABR Advances, and (C) any outstanding Affected Advances shall be Converted, on the last day of the then current Eurodollar Interest Period with respect thereto, to ABR Advances. Until any notice under clauses (i) or (ii), as the case may be, of this Section 3.8(b) has been withdrawn by the Administrative Agent (by notice to the Borrower) promptly upon either (x) the Administrative Agent having determined that such circumstances affecting the relevant market no longer exist and that adequate and reasonable means do exist for determining the Eurodollar Rate pursuant to Section 2.2 or Section 3.3, or (y) the Administrative Agent having been notified by such Required Lenders that circumstances no longer render the Loans (or any portion thereof) Affected Advances, no further Eurodollar Advances shall be required to be made by the Lenders nor shall the Borrower have the right to Convert all or any portion of the Loans to Eurodollar Advances.

SECTION 3.9

Certificates of Payment and Reimbursement

Each Lender agrees, in connection with any request by it for payment or reimbursement pursuant to Section 3.5 or Section 3.6, to provide the Borrower with a certificate, signed by an officer of such Lender, setting forth a description in reasonable detail of any such payment or reimbursement. Each determination by each Lender of such payment or reimbursement shall be conclusive absent manifest error.

SECTION 3.10

Taxes; Net Payments

(a) All payments made by the Borrower under the Loan Documents shall be made free and clear of, and without reduction for or on account of, any taxes required by law to be withheld from any amounts payable under the Loan Documents. In the event that the Borrower is prohibited by law from making such payments free of deductions or withholdings, then the Borrower shall pay such additional amounts to the Administrative Agent, for the benefit of the Lenders, as may be necessary in order that the actual amounts received by the Lenders in respect of interest and any other amounts payable under the Loan Documents after deduction or withholding (and after payment of any additional taxes or other charges due as a consequence of the payment of such additional amounts) shall equal the amount that would have been received if such deduction or withholding were not required. In the event that any such deduction or withholding can be reduced or nullified as a result of the application of any relevant double taxation convention, the Lenders and the Administrative Agent will, at the expense of the Borrower, cooperate with the Borrower in making application to the relevant taxing authorities seeking to obtain such reduction or nullification, *provided* that the Lenders and the Administrative Agent shall have no obligation to (i) engage in any litigation, hearing or proceeding with respect thereto or (ii) disclose any tax return or other confidential information. If the Borrower shall make any payment under this Section or shall make any deduction or withholding from amounts paid under any Loan Document, the Borrower shall forthwith forward to the Administrative Agent original or certified copies of official receipts or other evidence acceptable to the Administrative Agent establishing each such payment, deduction or

withholding, as the case may be, and the Administrative Agent in turn shall distribute copies thereof to each Lender. If any payment to any Lender under any Loan Document is or becomes subject to any withholding, such Lender shall (unless otherwise required by a Governmental Authority or as a result of any law, rule, regulation, order or similar directive applicable to such Lender) designate a different office or branch to which such payment is to be made from that initially selected thereby, if such designation would avoid such withholding and would not be otherwise disadvantageous to such Lender in any respect. In the event that any Lender determines that it received a refund or credit for taxes paid by the Borrower under this Section, such Lender shall promptly notify the Administrative Agent and the Borrower of such fact and shall remit to the Borrower the amount of such refund or credit applicable to the payments made by the Borrower in respect of such Lender under this Section.

(b) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under the Loan Documents shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Notwithstanding any provision herein to the contrary, the Borrower shall have no obligation to pay to any Lender any amount which the Borrower is liable to withhold due to the failure of such Lender to file any statement of exemption required by the Internal Revenue Code.

SECTION 3.11

Facility Fee

The Borrower agrees to pay to the Administrative Agent for the pro rata account of each Lender a fee (the “*Facility Fee*”) during the period commencing on the Effective Date and ending on the Facility Fee Termination Date, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the last day of the calendar quarter in which the Effective Date shall have occurred, and on the Facility Fee Termination Date, at a rate per annum equal to the Applicable Margin of (i) prior to the date that is the earlier of (x) the third Borrowing Date and (y) the last day of the Commitment Period, the Available Commitment of such Lender plus the sum of the outstanding principal balance of all Loans of such Lender on such date and (ii) on any day thereafter, the sum of the outstanding principal balance of all Loans of such Lender on such date. The Facility Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

SECTION 3.12

[Intentionally Omitted]

SECTION 3.13

Replacement of Lender

If the Borrower is obligated to pay to any Lender any amount under Section 3.6 or Section 3.10, the Borrower shall have the right within 90 days thereafter, in accordance with the requirements of Section 11.7(b), if no Default or Event of Default shall exist, to replace such Lender (the “*Replaced Lender*”) with one or more other assignees (each a “*Replacement Lender*”), *provided* that (i) at the time of any replacement pursuant to this Section, the Replacement Lender shall enter into one or more Assignment and Acceptance Agreements

pursuant to Section 11.7(b) (with the processing and recordation fee referred to in Section 11.7(b) payable pursuant to said Section 11.7(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire the Commitment (if any) and the outstanding Loans of the Replaced Lender and, in connection therewith, shall pay the following: (a) to the Replaced Lender, an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender and (B) an amount equal to all accrued, but unpaid, fees owing to the Replaced Lender and (b) to the Administrative Agent an amount equal to all amounts owed by such Replaced Lender to the Administrative Agent under this Agreement, including, without limitation, an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender, a corresponding amount of which was made available by the Administrative Agent to the Borrower pursuant to Section 3.1 and which has not been repaid to the Administrative Agent by such Replaced Lender or the Borrower, and (ii) all obligations of the Borrower owing to the Replaced Lender (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement. Upon the execution of the respective Assignment and Acceptance Agreements and the payment of amounts referred to in clauses (i) and (ii) of this Section 3.13, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement that are intended to survive the termination of the Commitments and the repayment of the Loans.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement, and the Lenders to make Loans, the Borrower hereby makes the following representations and warranties to the Administrative Agent and the Lenders:

SECTION 4.1

Existence and Power

Each of the Borrower and the Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation (except, in the case of the Subsidiaries, where the failure to be in such good standing could not reasonably be expected to have a Material Adverse effect), has all requisite corporate power and authority to own its Property and to carry on its business as now conducted, and is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it owns or leases real Property or in which the nature of its business requires it to be so qualified (except those jurisdictions where the failure to be so qualified or to be in good standing could not reasonably be expected to have a Material Adverse effect).

SECTION 4.2

Authority

The Borrower has full corporate power and authority to enter into, execute, deliver and perform the terms of the Loan Documents, all of which have been duly authorized by

all proper and necessary corporate action and are not in contravention of any applicable law or the terms of its Certificate of Incorporation and By-Laws. No consent or approval of, or other action by, shareholders of the Borrower, any Governmental Authority, or any other Person (which has not already been obtained) is required to authorize in respect of the Borrower, or is required in connection with the execution, delivery, and performance by the Borrower of the Loan Documents or is required as a condition to the enforceability of the Loan Documents against the Borrower.

SECTION 4.3

Binding Agreement

The Loan Documents constitute the valid and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles relating to the availability of specific performance as a remedy.

SECTION 4.4

Litigation

As at February 2, 2007, there were no actions, suits, arbitration proceedings or claims (whether purportedly on behalf of the Borrower, any Subsidiary or otherwise) pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary or any of their respective Properties, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse effect. There are no proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary (a) which call into question the validity or enforceability of any Loan Document, or otherwise seek to invalidate, any Loan Document, or (b) which might, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document (it being understood that the Caremark Acquisition is not a transaction contemplated by any Loan Document for the purposes of this clause (b)).

SECTION 4.5

No Conflicting Agreements

(a) Neither the Borrower nor any Subsidiary is in default under any agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse effect. No notice to, or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Borrower of the Loan Documents.

(b) No provision of any existing material mortgage, material indenture, material contract or material agreement or of any existing statute, rule, regulation, judgment, decree or order binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance by the Borrower of the terms of, any Loan Document. The execution, delivery or performance by the Borrower of the terms of each Loan Document will not constitute a default under, or result in the

creation or imposition of, or obligation to create, any Lien upon the Property of the Borrower or any Subsidiary pursuant to the terms of any such mortgage, indenture, contract or agreement.

SECTION 4.6

Taxes

The Borrower and each Subsidiary has filed or caused to be filed all tax returns, and has paid, or has made adequate provision for the payment of, all taxes shown to be due and payable on said returns or in any assessments made against them, the failure of which to file or pay could reasonably be expected to have a Material Adverse effect, and no tax Liens (other than Liens permitted under Section 8.2) have been filed against the Borrower or any Subsidiary and no claims are being asserted with respect to such taxes which are required by GAAP to be reflected in the Financial Statements and are not so reflected, except for taxes which have been assessed but which are not yet due and payable. The charges, accruals and reserves on the books of the Borrower and each Subsidiary with respect to all federal, state, local and other taxes are considered by the management of the Borrower to be adequate, and the Borrower knows of no unpaid assessment which (a) could reasonably be expected to have a Material Adverse effect, or (b) is or might be due and payable against it or any Subsidiary or any Property of the Borrower or any Subsidiary, except such thereof as are being contested in good faith and by appropriate proceedings diligently conducted, and for which adequate reserves have been set aside in accordance with GAAP or which have been assessed but are not yet due and payable.

SECTION 4.7

Compliance with Applicable Laws; Filings

Neither the Borrower nor any Subsidiary is in default with respect to any judgment, order, writ, injunction, decree or decision of any Governmental Authority which default could reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary is complying with all applicable statutes, rules and regulations of all Governmental Authorities, a violation of which could reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary has filed or caused to be filed with all Governmental Authorities all reports, applications, documents, instruments and information required to be filed pursuant to all applicable laws, rules, regulations and requests which, if not so filed, could reasonably be expected to have a Material Adverse effect.

SECTION 4.8

Governmental Regulations

Neither the Borrower nor any Subsidiary nor any corporation controlling the Borrower or any Subsidiary or under common control with the Borrower or any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, or is subject to any statute or regulation which regulates the incurrence of Indebtedness.

SECTION 4.9

Federal Reserve Regulations; Use of Proceeds

The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended. No part of the proceeds of the Loans has been or will be used, directly or indirectly, and whether immediately, incidentally or ultimately, for a purpose which violates any law, rule

or regulation of any Governmental Authority, including, without limitation, the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as amended. Anything in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to or on behalf of the Borrower in violation of any limitation or prohibition provided by any applicable law, regulation or statute, including said Regulation U. Following application of the proceeds of each Loan, not more than 25% (or such greater or lesser percentage as is provided in the exclusions from the definition of "Indirectly Secured" contained in said Regulation U as in effect at the time of the making of such Loan) of the value of the assets of the Borrower and the Subsidiaries on a Consolidated basis that are subject to Section 8.2 will be Margin Stock. In addition, no part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, to make a loan to any director or executive officer of the Borrower or any Subsidiary.

SECTION 4.10

No Misrepresentation

No representation or warranty contained in any Loan Document and no certificate or written report furnished by the Borrower to the Administrative Agent or any Lender pursuant to any Loan Document contains or will contain, as of its date, a misstatement of material fact, or omits or will omit to state, as of its date, a material fact required to be stated in order to make the statements therein contained not misleading in the light of the circumstances under which made (it being understood that the Borrower makes no representation or warranty hereunder with respect to any projections or other forward looking information).

SECTION 4.11

Plans

Each Employee Benefit Plan of the Borrower, each Subsidiary and each ERISA Affiliate is in compliance with ERISA and the Internal Revenue Code, where applicable, except where the failure to so comply would not be material. The Borrower, each Subsidiary and each ERISA Affiliate have complied with the material requirements of Section 515 of ERISA with respect to each Pension Plan which is a Multiemployer Plan, except where the failure to so comply would not be material. The Borrower, each Subsidiary and each ERISA Affiliate has, as of the date hereof, made all contributions or payments to or under each Pension Plan required by law or the terms of such Pension Plan or any contract or agreement. No liability to the PBGC has been, or is reasonably expected by the Borrower, any Subsidiary or any ERISA Affiliate to be, incurred by the Borrower, any Subsidiary or any ERISA Affiliate. Liability, as referred to in this Section 4.11, includes any joint and several liability, but excludes any current or, to the extent it represents future liability in the ordinary course, any future liability for premiums under Section 4007 of ERISA. Each Employee Benefit Plan which is a group health plan within the meaning of Section 5000(b)(1) of the Internal Revenue Code is in material compliance with the continuation of health care coverage requirements of Section 4980B of the Internal Revenue Code and with the portability, nondiscrimination and other requirements of Sections 9801, 9802, 9803, 9811 and 9812 of the Internal Revenue Code.

SECTION 4.12

Environmental Matters

Neither the Borrower nor any Subsidiary (a) has received written notice or otherwise learned of any claim, demand, action, event, condition, report or investigation

indicating or concerning any potential or actual liability which individually or in the aggregate could reasonably be expected to have a Material Adverse effect, arising in connection with (i) any non-compliance with or violation of the requirements of any applicable federal, state or local environmental health or safety statute or regulation, or (ii) the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment, (b) to the best knowledge of the Borrower, has any threatened or actual liability in connection with the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment which individually or in the aggregate could reasonably be expected to have a Material Adverse effect, (c) has received notice of any federal or state investigation evaluating whether any remedial action is needed to respond to a release or threatened release of any toxic or hazardous waste, substance or constituent or other substance into the environment for which the Borrower or any Subsidiary is or would be liable, which liability would reasonably be expected to have a Material Adverse effect, or (d) has received notice that the Borrower or any Subsidiary is or may be liable to any Person under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601 et seq., or any analogous state law, which liability would reasonably be expected to have a Material Adverse effect. The Borrower and each Subsidiary is in compliance with the financial responsibility requirements of federal and state environmental laws to the extent applicable, including those contained in 40 C.F.R., parts 264 and 265, subpart H, and any analogous state law, except in those cases in which the failure so to comply would not reasonably be expected to have a Material Adverse effect.

SECTION 4.13

Financial Statements

The Borrower has heretofore delivered to the Lenders through the Administrative Agent copies of the audited Consolidated Balance Sheet of the Borrower and its Subsidiaries as of December 31, 2006, and the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows for the fiscal year then ended. The financial statements referred to immediately above, including all related notes and schedules, are herein referred to collectively as the "*Financial Statements*." The Financial Statements fairly present the Consolidated financial condition and results of the operations of the Borrower and the Subsidiaries as of the date and for the period indicated therein and, except as noted therein, have been prepared in conformity with GAAP as then in effect. Neither the Borrower nor any of the Subsidiaries has any obligation or liability of any kind (whether fixed, accrued, contingent, unmatured or otherwise) which, in accordance with GAAP as then in effect, should have been disclosed in the Financial Statements and was not. During the period from December 31, 2005 to and including February 2, 2007 there was no Material Adverse change, including as a result of any change in law or any change in the consolidated financial condition, operations, business or Property of the Borrower and its Subsidiaries taken as a whole.

ARTICLE 5

CONDITIONS OF LENDING — LOANS ON THE FIRST BORROWING DATE

In addition to the requirements set forth in Article 6, the obligation of each Lender on the first Borrowing Date to make a Loan is subject to the fulfillment of the following conditions precedent prior to or simultaneously with the Effective Date:

SECTION 5.1 Evidence of Corporate Action

The Administrative Agent shall have received a certificate, dated the Effective Date, of the Secretary or an Assistant Secretary of the Borrower (i) attaching a true and complete copy of the resolutions of its Board of Directors and of all documents evidencing all other necessary corporate action (in form and substance reasonably satisfactory to the Administrative Agent) taken by the Borrower to authorize the Loan Documents and the transactions contemplated thereby, (ii) attaching a true and complete copy of its Certificate of Incorporation and By-Laws, (iii) setting forth the incumbency of the officer or officers of the Borrower who may sign the Loan Documents and any other certificates, requests, notices or other documents now or in the future required thereunder, and (iv) attaching a long-form certificate of good standing of the Secretary of State of the State of Delaware.

SECTION 5.2 Notes

The Administrative Agent shall have received a Note for each Lender that shall have requested one, executed by the Borrower.

SECTION 5.3 Opinion of Counsel to the Borrower

The Administrative Agent shall have received:

- (a) an opinion of Zenon Lankowsky, counsel to the Borrower, dated the Effective Date, and in the form of Exhibit D-1; and
- (b) an opinion of Davis Polk & Wardwell, special counsel to the Borrower, dated the Effective Date, and in the form of Exhibit D-2.

SECTION 5.4 Caremark Acquisition

The Administrative Agent shall have received a certificate of the Chief Financial Officer of the Borrower, dated as of the first Borrowing Date, certifying that the closing of the Caremark Acquisition has been or will be consummated substantially in accordance with all material terms and conditions of the Caremark Merger Agreement.

ARTICLE 6

CONDITIONS TO LENDING — LOANS ON EACH BORROWING DATE

The obligation of each Lender on any Borrowing Date to make each Loan is subject to the fulfillment of the following conditions precedent:

SECTION 6.1 Compliance

On each Borrowing Date, and after giving effect to the Loans to be made on such Borrowing Date, (a) there shall exist no Default or Event of Default, and (b) the representations and warranties contained in this Agreement shall be true and correct with the same effect as though such representations and warranties had been made on such Borrowing Date, except those which are expressly specified to be made as of an earlier date.

SECTION 6.2 Requests

The Administrative Agent shall have received a Borrowing Request (which shall comply with the provisions of Section 2.2) from the Borrower.

SECTION 6.3 Loan Closings

All documents required by the provisions of this Agreement to have been executed or delivered by the Borrower to the Administrative Agent or any Lender on or before the applicable Borrowing Date shall have been so executed or delivered on or before such Borrowing Date.

ARTICLE 7

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that on and after the Effective Date and until the payment in full of the Loans and all other sums and amounts payable under the Loan Documents, the Borrower will:

SECTION 7.1 Legal Existence

Except as may otherwise be permitted by Section 8.3 and Section 8.4, maintain, and cause each Subsidiary to maintain, its corporate existence in good standing in the jurisdiction of its incorporation or formation and in each other jurisdiction in which the failure so to do could reasonably be expected to have a Material Adverse effect, except that the corporate existence of Subsidiaries operating closing or discontinued operations may be terminated.

SECTION 7.2

Taxes

Pay and discharge when due, and cause each Subsidiary so to do, all taxes, assessments, governmental charges, license fees and levies upon or with respect to the Borrower and such Subsidiary, and upon the income, profits and Property thereof unless, and only to the extent, that either (i)(a) such taxes, assessments, governmental charges, license fees and levies shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (b) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor, or (ii) the failure to pay or discharge such taxes, assessments, governmental charges, license fees and levies could not reasonably be expected to have a Material Adverse effect.

SECTION 7.3

Insurance

Keep, and cause each Subsidiary to keep, insurance with responsible insurance companies in such amounts and against such risks as is usually carried by the Borrower or such Subsidiary.

SECTION 7.4

Performance of Obligations

Pay and discharge promptly when due, and cause each Subsidiary so to do, all lawful Indebtedness, obligations and claims for labor, materials and supplies or otherwise which, if unpaid, could reasonably be expected to (a) have a Material Adverse effect, or (b) become a Lien on the Property of the Borrower or any Subsidiary, except those Liens permitted under Section 8.2, *provided* that neither the Borrower nor such Subsidiary shall be required to pay or discharge or cause to be paid or discharged any such Indebtedness, obligation or claim so long as (i) the validity thereof shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor.

SECTION 7.5

Condition of Property

Except for ordinary wear and tear, at all times, maintain, protect and keep in good repair, working order and condition, all material Property necessary for the operation of its business (other than Property which is replaced with similar Property) as then being operated, and cause each Subsidiary so to do.

SECTION 7.6

Observance of Legal Requirements

Observe and comply in all material respects, and cause each Subsidiary so to do, with all laws, ordinances, orders, judgments, rules, regulations, certifications, franchises, permits, licenses, directions and requirements of all Governmental Authorities, which now or at any time hereafter may be applicable to it or to such Subsidiary, a violation of which could reasonably be expected to have a Material Adverse effect.

Maintain, and cause each Subsidiary to maintain, a standard system of accounting in accordance with GAAP, and furnish to each Lender:

(a) As soon as available and, in any event, within 120 days after the close of each fiscal year, a copy of (x) the Borrower's 10-K in respect of such fiscal year, and (y)(i) the Borrower's Consolidated Balance Sheet as of the end of such fiscal year, and (ii) the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows, as of and through the end of such fiscal year, setting forth in each case in comparative form the corresponding figures in respect of the previous fiscal year, all in reasonable detail, and accompanied by a report of the Borrower's auditors, which report shall state that (A) such auditors audited such financial statements, (B) such audit was made in accordance with generally accepted auditing standards in effect at the time and provides a reasonable basis for such opinion, and (C) said financial statements have been prepared in accordance with GAAP;

(b) As soon as available, and in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of (x) the Borrower's 10-Q in respect of such fiscal quarter, and (y)(i) the Borrower's Consolidated Balance Sheet as of the end of such quarter and (ii) the related Consolidated Statements of Operations, Shareholders' Equity and Cash Flows for (A) such quarter and (B) the period from the beginning of the then current fiscal year to the end of such quarter, in each case in comparable form with the prior fiscal year, all in reasonable detail and prepared in accordance with GAAP (without footnotes and subject to year-end adjustments);

(c) Simultaneously with the delivery of the financial statements required by clauses (a) and (b) above, a certificate of the chief financial officer or treasurer of the Borrower certifying that no Default or Event of Default shall have occurred or be continuing or, if so, specifying in such certificate all such Defaults and Events of Default, and setting forth computations in reasonable detail demonstrating compliance with Section 8.1 and Section 8.9;

(d) Prompt notice upon the Borrower becoming aware of any change in a Pricing Level;

(e) Promptly upon becoming available, copies of all regular or periodic reports (including current reports on Form 8-K) which the Borrower or any Subsidiary may now or hereafter be required to file with or deliver to the Securities and Exchange Commission, or any other Governmental Authority succeeding to the functions thereof, and copies of all material news releases sent to all stockholders;

(f) Prompt written notice of: (i) any citation, summons, subpoena, order to show cause or other order naming the Borrower or any Subsidiary a party to any proceeding before any Governmental Authority which could reasonably be expected to have a Material Adverse effect, and include with such notice a copy of such citation, summons, subpoena, order to show cause or other order, (ii) any lapse or other termination of any license, permit, franchise or other authorization issued to the Borrower or any Subsidiary by any Governmental Authority, (iii) any refusal by any Governmental Authority to renew or extend any license, permit, franchise

or other authorization, and (iv) any dispute between the Borrower or any Subsidiary and any Governmental Authority, which lapse, termination, refusal or dispute, referred to in clause (ii), (iii) or (iv) above, could reasonably be expected to have a Material Adverse effect;

(g) Prompt written notice of the occurrence of (i) each Default, (ii) each Event of Default and (iii) each Material Adverse change;

(h) Promptly upon receipt thereof, copies of any audit reports delivered in connection with the statements referred to in Section 7.7(a);

(i) From time to time, such other information regarding the financial position or business of the Borrower and the Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request; and

(j) Prompt written notice of such other information with documentation required by bank regulatory authorities under applicable “know your customer” and Anti-Money Laundering rules and regulations (including, without limitation, the PATRIOT Act), as from time to time may be reasonably requested by the Administrative Agent or any Lender.

SECTION 7.8

Records

Upon reasonable notice and during normal business hours, permit representatives of the Administrative Agent and each Lender to visit the offices of the Borrower and each Subsidiary, to examine the books and records (other than tax returns and work papers related to tax returns) thereof and auditors’ reports relating thereto, to discuss the affairs of the Borrower and each Subsidiary with the respective officers thereof, and to meet and discuss the affairs of the Borrower and each Subsidiary with the Borrower’s auditors.

SECTION 7.9

Authorizations

Maintain and cause each Subsidiary to maintain, in full force and effect, all copyrights, patents, trademarks, trade names, franchises, licenses, permits, applications, reports, and other authorizations and rights, which, if not so maintained, would individually or in the aggregate have a Material Adverse effect.

ARTICLE 8

NEGATIVE COVENANTS

The Borrower covenants and agrees that on and after the Effective Date and until the payment in full of the Loans and all other sums and amounts which are payable under the Loan Documents, the Borrower will not:

SECTION 8.1

Subsidiary Indebtedness

Permit the Indebtedness of all Subsidiaries (excluding the ESOP Guaranty) to exceed (on a combined basis) 10% of Tangible Net Worth.

SECTION 8.2

Liens

Create, incur, assume or suffer to exist any Lien against or on any Property now owned or hereafter acquired by the Borrower or any of the Subsidiaries, or permit any of the Subsidiaries so to do, except any one or more of the following types of Liens:

(a) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA or the minimum funding obligations under Section 412 of the Code), (b) Liens to secure the performance of bids, tenders, letters of credit, contracts (other than contracts for the payment of Indebtedness), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature, in each such case arising in the ordinary course of business, (c) mechanics', workmen's, carriers', warehousemen's, materialmen's, landlords' or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate proceedings diligently conducted, (d) Liens for taxes, assessments, fees or governmental charges the payment of which is not required by Section 7.2, (e) easements, rights of way, restrictions, leases of Property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting Property which in the aggregate do not materially impair its use for the operation of the business of the Borrower or such Subsidiary, (f) Liens on Property of the Subsidiaries under capital leases and Liens on Property of the Subsidiaries acquired (whether as a result of purchase, capital lease, merger or other acquisition) and either existing on such Property when acquired, or created contemporaneously with or within 12 months of such acquisition to secure the payment or financing of the purchase price of such Property (including the construction, development, substantial repair, alteration or improvement thereof), and any renewals thereof, *provided* that such Liens attach only to the Property so purchased or acquired (including any such construction, development, substantial repair, alteration or improvement thereof) and *provided further* that the Indebtedness secured by such Liens is permitted by Section 8.1, (g) statutory Liens in favor of lessors arising in connection with Property leased to the Borrower or any of the Subsidiaries, (h) Liens of attachments, judgments or awards against the Borrower or any of the Subsidiaries with respect to which an appeal or proceeding for review shall be pending or a stay of execution or bond shall have been obtained, or which are otherwise being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or such Subsidiary, (i) Liens securing Indebtedness of a Subsidiary to the Borrower or another Subsidiary, (j) Liens (other than Liens permitted by any of the foregoing clauses) arising in the ordinary course of its business which do not secure Indebtedness and do not, in the aggregate, materially detract from the value of the business of the Borrower and its Subsidiaries, taken as a whole, and (k) additional Liens securing Indebtedness of the Borrower and the Subsidiaries in an aggregate outstanding Consolidated principal amount not exceeding 10% of Tangible Net Worth.

SECTION 8.3

Dispositions

Make any Disposition, or permit any of its Subsidiaries so to do, of all or substantially all of the assets of the Borrower and the Subsidiaries on a Consolidated basis.

SECTION 8.4

Merger or Consolidation, Etc.

The Borrower will not consolidate with, be acquired by, or merge into or with any Person unless (x) immediately after giving effect thereto no Default or Event of Default shall or would exist and (y) either (i) the Borrower or (ii) a corporation organized and existing under the laws of one of the States of the United States of America shall be the survivor of such consolidation or merger, *provided* that if the Borrower is not the survivor, the corporation which is the survivor shall expressly assume, pursuant to an instrument executed and delivered to the Administrative Agent, and in form and substance satisfactory to the Administrative Agent, all obligations of the Borrower under the Loan Documents and the Administrative Agent shall have received such documents, opinions and certificates as it shall have reasonable requested in connection therewith.

SECTION 8.5

Acquisitions

Make any Acquisition, or permit any of the Subsidiaries so to do, except any one or more of the following:

(a) Intercompany Dispositions permitted by Section 8.3 and (b) Acquisitions by the Borrower or any of the Subsidiaries (including the Caremark Acquisition), *provided* that immediately before and after giving effect to each such Acquisition no Default or Event of Default shall or would exist.

SECTION 8.6

Restricted Payments

Make any Restricted Payment or permit any of the Subsidiaries so to do, except any one or more of the following Restricted Payments: (a) any direct or indirect Subsidiary may make dividends or other distributions to the Borrower or to any other direct or indirect Subsidiary, and (b) the Borrower may make Restricted Payments, *provided* that, in the case of this clause (b), immediately before and after giving effect thereto, no Event of Default shall or would exist. Nothing in this Section 8.6 shall prohibit or restrict the declaration or payment of dividends in respect of the Series One ESOP Convertible Preferred Stock of the Borrower.

SECTION 8.7

Limitation on Upstream Dividends by Subsidiaries

Permit or cause any of the Subsidiaries to enter into or agree, or otherwise be or become subject, to any agreement, contract or other arrangement (other than this Agreement) with any Person (each a “*Restrictive Agreement*”) pursuant to the terms of which (a) such Subsidiary is or would be prohibited from declaring or paying any cash dividends on any class of its stock owned directly or indirectly by the Borrower or any of the other Subsidiaries or from making any other distribution on account of any class of any such stock (herein referred to as “*Upstream Dividends*”), or (b) the declaration or payment of Upstream Dividends by a Subsidiary to the Borrower or another Subsidiary, on an annual or cumulative basis, is or would be otherwise limited or restricted (“*Dividend Restrictions*”). Notwithstanding the foregoing, nothing in this Section 8.7 shall prohibit:

- (i) Dividend Restrictions set forth in any Restrictive Agreement in effect on the date hereof and any extensions, refinancings, renewals or replacements thereof, *provided* that the Dividend Restrictions in any such extensions, refinancings,

renewals or replacements are no less favorable in any material respect to the Lenders than those Dividend Restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(ii) Dividend Restrictions existing with respect to any Person acquired by the Borrower or any Subsidiary and existing at the time of such acquisition, which Dividend Restrictions are not applicable to any Person or the property or assets of any Person other than such Person or its property or assets acquired, and any extensions, refinancings, renewals or replacements of any of the foregoing, *provided* that the Dividend Restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Lenders than those Dividend Restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(iii) Dividend Restrictions consisting of customary net worth, leverage and other financial covenants, customary covenants regarding the merger of or sale of assets of a Subsidiary, customary restrictions on transactions with affiliates, and customary subordination provisions governing Indebtedness owed to the Borrower or any Subsidiary, in each case contained in, or required by, any agreement governing Indebtedness incurred by a Subsidiary in accordance with Section 8.1; or

(iv) Dividend Restrictions contained in any other credit agreement so long as such Dividend Restrictions are no more restrictive than those contained in this Agreement (including Dividend Restrictions contained in the Existing Credit Agreements).

SECTION 8.8 Limitation on Negative Pledges

Enter into any agreement, other than (i) this Agreement, (ii) the Existing Credit Agreements, (iii) any other credit agreement that is substantially similar to this Agreement, and (iv) purchase money mortgages or capital leases permitted by this Agreement (in which cases, any prohibition or limitation shall only be effective against the assets financed thereby), or permit any Subsidiary so to do, which prohibits or limits the ability of the Borrower or such Subsidiary to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired to secure the obligations of the Borrower hereunder.

SECTION 8.9 Ratio of Consolidated Indebtedness to Total Capitalization

Permit its ratio of Consolidated Indebtedness to Total Capitalization at the end of any fiscal quarter to exceed 0.6:1.0.

SECTION 8.10 Caremark Acquisition

(a) Amend the Caremark Merger Agreement if such amendment has the effect of (i) increasing the purchase price to be paid by the Borrower thereunder by a material amount, (ii) increasing the liabilities of the Borrower thereunder by a material amount, or (iii) decreasing

the assets being acquired thereunder by the Borrower by a material amount, in each case, without the consent of the Administrative Agent.

(b) Waive any material condition to the obligations of the Borrower under the Caremark Merger Agreement to consummate the transactions contemplated by the Caremark Merger Agreement (except as provided in the Waiver Agreement) without the consent of the Administrative Agent.

ARTICLE 9

DEFAULT

SECTION 9.1

Events of Default

The following shall each constitute an “*Event of Default*” hereunder:

- (a) The failure of the Borrower to make any payment of principal on any Loan when due and payable; or
- (b) The failure of the Borrower to make any payment of interest on any Loan or of the Fees on any date when due and payable and such default shall continue unremedied for a period of 5 Domestic Business Days after the same shall be due and payable; or
- (c) The failure of the Borrower to observe or perform any covenant or agreement contained in Section 2.4, Section 2.6(b) or Section 7.1 or in Article 8; or
- (d) The failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement, and such failure shall have continued unremedied for a period of 30 days after the Borrower shall have become aware of such failure; or
- (e) [Intentionally Omitted]
- (f) Any representation or warranty of the Borrower (or of any of its officers on its behalf) made in any Loan Document, or made in any certificate, report, opinion (other than an opinion of counsel) or other document delivered on or after the date hereof shall in any such case prove to have been incorrect or misleading (whether because of misstatement or omission) in any material respect when made; or
- (g) (i) Obligations in an aggregate Consolidated amount in excess of \$25,000,000 of the Borrower (other than its obligations hereunder and under the Notes) and the Subsidiaries, whether as principal, guarantor, surety or other obligor, for the payment of any Indebtedness or any net liability under interest rate swap, collar, exchange or cap agreements, (A) shall become or shall be declared to be due and payable prior to the expressed maturity thereof, or (B) shall not be paid when due or within any grace period for the payment thereof, or (ii) any holder of any such obligations shall have the right to declare the Indebtedness evidenced thereby due and payable prior to its stated maturity; or

(h) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(i) The Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section 9.1, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(j) The Borrower or any Subsidiary shall (i) suspend or discontinue its business (except for store closings in the ordinary course of business and except in connection with a permitted Disposition under Section 8.3 and as may otherwise be expressly permitted herein), or (ii) generally not be paying its debts as such debts become due, or (iii) admit in writing its inability to pay its debts as they become due; or

(k) Judgments or decrees in an aggregate Consolidated amount in excess of \$25,000,000 against the Borrower and the Subsidiaries shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of 60 days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment; or

(l) After the Effective Date a Change of Control shall occur; or

(m) (i) Any Termination Event shall occur (x) with respect to any Pension Plan (other than a Multiemployer Plan) or (y) with respect to any other retirement plan subject to Section 302 of ERISA or Section 412 of the Internal Revenue Code, which plan, during the five year period prior to such Termination Event, was the responsibility in whole or in part of the Borrower, any Subsidiary or any ERISA Affiliate, *provided* that this clause (y) shall only apply if, in connection with such Termination Event, it is reasonably likely that liability in an aggregate Consolidated amount in excess of \$25,000,000 will be imposed upon the Borrower, any Subsidiary or any ERISA Affiliate; (ii) any Accumulated Funding Deficiency, whether or not waived, in an aggregate Consolidated amount in excess of \$25,000,000 shall exist with respect to any Pension Plan (other than that portion of a Multiemployer Plan's Accumulated Funding Deficiency to the extent such Accumulated Funding Deficiency is attributable to employers other than Borrower, any Subsidiary or any ERISA Affiliate); (iii) any Person shall engage in any Prohibited Transaction involving any Employee Benefit Plan; (iv) the Borrower, any Subsidiary

or any ERISA Affiliate shall fail to pay when due an amount which is payable by it to the PBGC or to a Pension Plan (including a Multiemployer Plan) under Title IV of ERISA; (v) the imposition of any tax under Section 4980(B)(a) of the Internal Revenue Code; or (vi) the assessment of a civil penalty with respect to any Employee Benefit Plan under Section 502(c) of ERISA; in each case, to the extent such event or condition would have a Material Adverse effect.

SECTION 9.2 Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance of an Event of Default, the Administrative Agent, at the written request of the Required Lenders, shall notify the Borrower that the Commitments have been terminated and/or that all of the Loans and the Notes and all accrued and unpaid interest on any thereof and all other amounts owing under the Loan Documents have been declared immediately due and payable, *provided* that upon the occurrence of an Event of Default under Section 9.1(h), (i) or (j) with respect to the Borrower, the Commitments shall automatically terminate and all of the Loans and the Notes and all accrued and unpaid interest on any thereof and all other amounts owing under the Loan Documents shall become immediately due and payable without declaration or notice to the Borrower. To the fullest extent not prohibited by law, except for the notice provided for in the preceding sentence, the Borrower expressly waives any presentment, demand, protest, notice of protest or other notice of any kind in connection with the Loan Documents and its obligations thereunder. To the fullest extent not prohibited by law, the Borrower further expressly waives and covenants not to assert any appraisal, valuation, stay, extension, redemption or similar law, now or at any time hereafter in force which might delay, prevent or otherwise impede the performance or enforcement of the Loan Documents.

(b) In the event that the Commitments shall have been terminated pursuant to the provisions of Section 9.2(a) or all of the Loans and the Notes shall have been declared due and payable pursuant to the provisions of Section 9.2(a), the Administrative Agent and the Lenders agree, among themselves, that any funds received from or on behalf of the Borrower under any Loan Document by any Lender (except funds received by any Lender as a result of a purchase from such Lender pursuant to the provisions of Section 11.9(b)) shall be remitted to the Administrative Agent, and shall be applied by the Administrative Agent in payment of the Loans and the other obligations of the Borrower under the Loan Documents in the following manner and order: (1) first, to reimburse the Administrative Agent and the Lenders, in that order, for any expenses due from the Borrower pursuant to the provisions of Section 11.5, (2) second, to the payment of the Fees, (3) third, to the payment of any expenses or amounts (other than the principal of and interest on the Loans and the Notes) payable by the Borrower to the Administrative Agent or any of the Lenders under the Loan Documents, (4) fourth, to the payment, *pro rata* according to the outstanding principal balance of the Loans of each Lender, of interest due on the Loans, (5) fifth, to the payment, *pro rata* according to the outstanding principal balance of the Loans of each Lender, of the aggregate outstanding principal balance of the Loans, and (6) sixth, any remaining funds shall be paid to whosoever shall be entitled thereto or as a court of competent jurisdiction shall direct.

(c) In the event that the Loans and the Notes shall have been declared due and payable pursuant to the provisions of this Section 9.2, the Administrative Agent upon the written

request of the Required Lenders, shall proceed to enforce the rights of the holders of the Loans and the Notes by suit in equity, action at law and/or other appropriate proceedings, whether for payment or the specific performance of any covenant or agreement contained in the Loan Documents. In the event that the Administrative Agent shall fail or refuse so to proceed, each Lender shall be entitled to take such action as the Required Lenders shall deem appropriate to enforce its rights under the Loan Documents.

ARTICLE 10

AGENT

SECTION 10.1 Appointment

Each Lender hereby irrevocably designates and appoints LCPI as the Administrative Agent of such Lender under this Agreement and the other Loan Documents and each Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained in this Agreement and the other Loan Documents, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against the Administrative Agent.

SECTION 10.2 Delegation of Duties

The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to rely upon the advice of counsel concerning all matters pertaining to such duties, and shall not be liable for any action taken or omitted to be taken in good faith upon the advice of such counsel. The Administrative Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 10.3 Exculpatory Provisions

Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by the Administrative Agent or such Person under or in connection with the Loan Documents (except the Administrative Agent for its own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any party contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any of the Loan Documents

or for any failure of the Borrower or any other Person to perform its obligations thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire into the observance or performance of any of the covenants or agreements contained in, or conditions of, the Loan Documents, or to inspect the Property, books or records of the Borrower or any Subsidiary. The Administrative Agent shall not be under any liability or responsibility to the Borrower or any other Person as a consequence of any failure or delay in performance, or any breach, by any Lender of any of its obligations under any of the Loan Documents. The Lenders acknowledge that the Administrative Agent shall not be under any duty to take any discretionary action permitted under the Loan Documents unless the Administrative Agent shall be requested in writing to do so by the Required Lenders.

SECTION 10.4

Reliance by Administrative Agent

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, request, consent, certificate, affidavit, opinion, letter, cablegram, telegram, fax, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall not be under any duty to examine or pass upon the validity, effectiveness or genuineness of the Loan Documents or any instrument, document or communication furnished pursuant thereto or in connection therewith, and the Administrative Agent shall be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be. The Administrative Agent shall be fully justified in failing or refusing to take any action not expressly required under the Loan Documents unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Lenders or, if required by Section 11.1, all Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Borrower, all the Lenders and all future holders of the Notes.

SECTION 10.5

Notice of Default

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent shall have received written notice thereof from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating such notice is a "Notice of Default." In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders, *provided* that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action or give such directions, or refrain from taking such action or giving such directions, with respect to such Default or Event of Default as it shall deem to be in the best interests of the Lenders.

SECTION 10.6

Non-Reliance

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to such Lender and that no act by the Administrative Agent hereafter, including any review of the affairs of the Borrower or the Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that such Lender has, independently and without reliance upon any the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Borrower and the Subsidiaries and has made its own decision to enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, evaluations and decisions in taking or not taking action under the Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Borrower and the Subsidiaries. Each Lender acknowledges that a copy of this Agreement and all exhibits and schedules hereto have been made available to it and its individual counsel for review, and each Lender acknowledges that it is satisfied with the form and substance thereof. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower or the Subsidiaries which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 10.7

The Administrative Agent in Its Individual Capacity

LCPI and each of the affiliates thereof, may make loans to, accept deposits from, issue letters of credit for the account of and generally engage in any kind of business with the Borrower and the Subsidiaries as though it were not the Administrative Agent. With respect to the Commitment made by it and each Note issued to it (if any), the Administrative Agent shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the term “Lender” and “Lenders” shall include LCPI in its individual capacity.

SECTION 10.8

Successor Administrative Agent

If at any time the Administrative Agent deems it advisable, in its sole discretion, it may submit to each Lender a written notification of its resignation as Administrative Agent under the Loan Documents, such resignation to be effective on the earlier to occur of (a) the thirtieth day after the date of such notice, and (b) the date upon which any successor to the Administrative Agent, in accordance with the provisions of this Section, shall have accepted in writing its appointment as successor Administrative Agent. Upon any such resignation, the Required Lenders shall have the right to appoint from among the Lenders a successor

Administrative Agent, which successor Administrative Agent, *provided* that no Default or Event of Default shall then exist, shall be reasonably satisfactory to the Borrower. If no such successor Administrative Agent shall have been so appointed by the Required Lenders and accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor Administrative Agent shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the written acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall automatically become a party to this Agreement and shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent's rights, powers, privileges and duties as Administrative Agent under the Loan Documents shall be terminated. The Borrower and the Lenders shall execute such documents as shall be necessary to effect such appointment. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent. If at any time there shall not be a duly appointed and acting Administrative Agent, upon notice duly given, the Borrower agrees to make each payment when due under the Loan Documents directly to the Lenders entitled thereto during such time.

SECTION 10.9 Arrangers, Co-Documentation Agents and Syndication Agent

None of the Arrangers, the Co-Documentation Agents or the Syndication Agent, in their respective capacities as such, shall have any duties or responsibilities, nor shall any such Person incur any liability under this Agreement or the other Loan Documents.

ARTICLE 11

OTHER PROVISIONS

SECTION 11.1 Amendments, Waivers, Etc.

With the written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time, enter into written amendments, supplements or modifications of the Loan Documents and, with the written consent of the Required Lenders, the Administrative Agent on behalf of the Lenders may execute and deliver to any such parties a written instrument waiving or consenting to the departure from, on such terms and conditions as the Administrative Agent may specify in such instrument, any of the requirements of the Loan Documents or any Default or Event of Default and its consequences, *provided* that no such amendment, supplement, modification, waiver or consent shall (i) increase the Commitment Amount of any Lender without the consent of such Lender (*provided* that no waiver of a Default or Event of Default shall be deemed to constitute such an increase), (ii) extend the Commitment Period without the consent of each Lender directly affected thereby, (iii) reduce the amount, or extend the time of payment, of the Fees without the consent of each Lender directly affected thereby, (iv) reduce the rate, or extend the time of payment of, interest on any Loan or any Note

(other than the applicability of any post-default increase in such rate of interest) without the consent of each Lender directly affected thereby, (v) reduce the amount, or extend the time of payment of any payment of principal on any Loan or any Note without the consent of each Lender directly affected thereby, (vi) decrease or forgive the principal amount of any Loan or any Note without the consent of each Lender directly affected thereby, (vii) consent to any assignment or delegation by the Borrower of any of its rights or obligations under any Loan Document without the consent of each Lender, (viii) change the provisions of this Section 11.1 without the consent of each Lender, (ix) change the definition of Required Lenders without the consent of each Lender, (x) change the several nature of the obligations of the Lenders without the consent of each Lender, or (xi) change the sharing provisions among Lenders without the consent of each Lender. Notwithstanding the foregoing, no such amendment, supplement, modification, waiver or consent shall amend, modify or waive any provision of Article 10 or otherwise change any of the rights or obligations of the Administrative Agent under any Loan Document without the written consent of the Administrative Agent. Any such amendment, supplement, modification, waiver or consent shall apply equally to each of the Lenders and shall be binding upon the parties to the applicable Loan Document, the Lenders, the Administrative Agent and all future holders of the Loans and the Notes. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights under the Loan Documents, but any Default or Event of Default waived shall not extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

SECTION 11.2

Notices

Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

If to the Borrower:

CVS Corporation
One CVS Drive
Woonsocket, Rhode Island 02895
Attention: Carol A. DeNale
Vice President and Treasurer
Facsimile: (401) 770-5768
Telephone: (401) 770-4407

with a copy, in the case of a notice of Default or Event of Default, to:

CVS Corporation
One CVS Drive
Woonsocket, Rhode Island 02895
Attention: Legal Department
Facsimile: (401) 765-7887
Telephone: (401) 765-1500

If to the Administrative Agent:

in the case of each Borrowing Request and each notice of prepayment under Section 2.6:

Lehman Commercial Paper Inc.
c/o Lehman Brothers Inc.
745 Seventh Avenue, 16th Floor
New York, New York 10019
Attention: Maritza Ospina
Facsimile: (646) 758-4648
Telephone: (212) 526-6590

and in all other cases:

Lehman Commercial Paper Inc.
c/o Lehman Brothers Inc.
745 Seventh Avenue, 5th Floor
New York, New York 10019
Attention: Ahuva Schwager
Facsimile: (917) 522-0593
Telephone: (212) 526-7417

If to the Syndication Agent:

Morgan Stanley Senior Funding, Inc.
1585 Broadway
New York, New York 10036
Attention: Nomi Clarke
Facsimile: (718) 233-2132
Telephone: (718) 754-7283

If to any Lender: to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, by notice to the Administrative Agent and the Borrower). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Any party to a Loan Document may rely on signatures of the parties thereto which are transmitted by fax or other electronic means as fully as if originally signed.

SECTION 11.3

No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges under the Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 11.4

Survival of Representations and Warranties

All representations and warranties made in the Loan Documents and in any document, certificate or statement delivered pursuant thereto or in connection therewith shall survive the execution and delivery of the Loan Documents.

SECTION 11.5

Payment of Expenses and Taxes; Indemnified Liabilities

The Borrower agrees, promptly upon presentation of a statement or invoice therefor setting forth in reasonable detail the items thereof, and whether any Loan is made, (a) to pay or reimburse the Administrative Agent and its Affiliates for all its reasonable costs and expenses actually incurred in connection with the development, syndication, preparation and execution of, and any amendment, waiver, consent, supplement or modification to, the Loan Documents, any documents prepared in connection therewith and the consummation of the transactions contemplated thereby, whether such Loan Documents or any such amendment, waiver, consent, supplement or modification to the Loan Documents or any documents prepared in connection therewith are executed and whether the transactions contemplated thereby are

consummated, including the reasonable fees and disbursements of Special Counsel, (b) to pay, indemnify, and hold any Credit Party harmless from any and all recording and filing fees and any and all liabilities and penalties with respect to, or resulting from any delay (other than penalties to the extent attributable to the negligence of the applicable Credit Party in failing to pay such fees or other liabilities when due) in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, the Loan Documents and any such other documents, and (c) to pay, reimburse, indemnify and hold each Indemnified Person harmless from and against any and all other liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including reasonable counsel fees and disbursements of counsel (including the allocated costs of internal counsel) and such local counsel as may be required) actually incurred with respect to the enforcement, performance of, and preservation of rights under, the Loan Documents (all the foregoing, collectively, the “*Indemnified Liabilities*”) and, if and to the extent that the foregoing indemnity may be unenforceable for any reason, the Borrower agrees to make the maximum payment permitted under applicable law, *provided* that the Borrower shall have no obligation hereunder to pay Indemnified Liabilities to an Indemnified Person to the extent arising from its gross negligence or willful misconduct. The agreements in this Section shall survive the termination of the Commitments and the payment of the Loans and the Notes and all other amounts payable under the Loan Documents.

SECTION 11.6

Lending Offices

Each Lender shall have the right at any time and from time to time to transfer any Loan to a different office of such Lender, subject to Section 3.10.

SECTION 11.7

Successors and Assigns

(a) The provisions of the Loan Documents shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in the Loan Documents, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each Credit Party) any legal or equitable right, remedy or claim under or by reason of any Loan Document.

(b) Any Lender may assign all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment and the applicable Loans at the time owing to it), to an Eligible Assignee, *provided* that (i) except in the case of an assignment to a Lender or an Affiliate or an Approved Fund of a Lender, each of the Borrower and the Administrative Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) except in the case of an assignment to a Lender or an Affiliate or an Approved Fund of a Lender or an assignment of the entire remaining amount of the assigning Lender’s Commitment or Loans, as the case may be, the

amount of the Commitment or Loans, as the case may be, of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance Agreement with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000, unless the Borrower and the Administrative Agent otherwise consent (which consent shall not be unreasonably withheld or delayed) and shall be for a pro rata portion of such Lender's then remaining Commitment, if any, and such Lender's then outstanding Loans, (iii) no assignments to the Borrower or any of its Affiliates shall be permitted (and any attempted assignment or transfer to the Borrower or any of its Affiliates shall be null and void), (iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance Agreement together with, unless otherwise agreed by the Administrative Agent, a processing and recordation fee of \$3,500, and (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, and *provided further* that any consent of the Borrower otherwise required under this subsection shall not be required if an Event of Default has occurred and is continuing. Subject to acceptance and recording thereof pursuant to subsection (d) of this Section, from and after the effective date specified in each Assignment and Acceptance Agreement, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance Agreement, have the rights and obligations of a Lender under the Loan Documents, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance Agreement, be released from its obligations under the Loan Documents (and, in the case of an Assignment and Acceptance Agreement covering all of the assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 3.5, Section 3.6, Section 3.7, Section 3.10 and Section 11.10). Except as otherwise provided under clause (iii) of this subsection, any assignment or transfer by a Lender of rights or obligations under the Loan Documents that does not comply with this subsection shall be treated for purposes of the Loan Documents as a sale by such Lender of a participation in such rights and obligations in accordance with subsection 0 of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Acceptance Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent clearly demonstrable error, and the Borrower and each Credit Party may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Credit Party, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance Agreement executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in subsection (b) of this Section and any written consent to such assignment required by subsection (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance Agreement and record the information contained

therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this subsection.

(e) Any Lender may, without the consent of the Borrower or any Credit Party, sell participations to Eligible Assignees (each a “*Participant*”) in all or a portion of such Lender’s rights and obligations under the Loan Documents (including all or a portion of its Commitments and outstanding Loans owing to it), *provided* that (i) such Lender’s obligations under the Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower and the Credit Parties shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under the Loan Documents and (iv) no participations to the Borrower or any of its Affiliates shall be permitted (and any attempted participation to the Borrower or any of its Affiliates shall be null and void). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of any Loan Documents, *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso to Section 11.1 that affects such Participant. Subject to subsection (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 3.5, Section 3.6, Section 3.7 and Section 3.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.9(a) as though it were a Lender, *provided* that such Participant agrees to be subject to Section 11.9(b) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 3.6, Section 3.7 or Section 3.10 than the Lender that sold the participation to such Participant would have been entitled to receive with respect to the interest in the Loan Documents subject to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.10 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.10(b) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under the Loan Documents to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations under the Loan Documents or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a “*Granting Lender*”) may grant to an Eligible SPC the option to fund all or any part of any Loan that such Granting Lender would otherwise be obligated to fund pursuant to this Agreement,

provided that (i) such designation shall not be effective unless the Borrower consents thereto (which consent shall not be unreasonably withheld), (ii) nothing herein shall constitute a commitment by any Eligible SPC to fund any Loan, and (iii) if an Eligible SPC elects not to exercise such option or otherwise fails to fund all or any part of such Loan, the Granting Lender shall be obligated to fund such Loan pursuant to the terms hereof. The funding of a Loan by an Eligible SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were funded by such Granting Lender. As to any Loans or portion thereof made by it, each Eligible SPC shall have all the rights that a Lender making such Loans or portion thereof would have had under this Agreement and otherwise, *provided* that (x) its voting rights under this Agreement shall be exercised solely by its Granting Lender and (y) its Granting Lender shall remain solely responsible to the other parties hereto for the performance of such Granting Lender's obligations under this Agreement, including its obligations in respect of the Loans or portion thereof made by it. Each Granting Lender shall act as administrative agent for its Eligible SPC and give and receive notices and other communications on its behalf. Any payments for the account of any Eligible SPC shall be paid to its Granting Lender as administrative agent for such Eligible SPC and neither the Borrower nor the Administrative Agent shall be responsible for any Granting Lender's application of such payments. Each party hereto hereby agrees that no Eligible SPC shall be liable for any indemnity or payment under this Agreement for which a Lender would otherwise be liable for so long as, and to the extent, the Granting Lender provides such indemnity or makes such payment. Notwithstanding anything to the contrary contained in this Agreement, any Eligible SPC may (i) at any time, subject to payment of the processing and recordation fee referred to in Section 11.7(b), assign all or a portion of its interests in any Loans to its Granting Lender (but nothing contained herein shall be construed in derogation of the obligation of the Granting Lender to make Loans hereunder) or to any financial institutions providing liquidity and/or credit support to or for the account of such Eligible SPC to support the funding or maintenance of Loans, and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancements to such Eligible SPC. This Section may not be amended without the prior written consent of each Granting Lender, all or any part of whose Loans is being funded by an Eligible SPC at the time of such amendment.

SECTION 11.8

Counterparts

Each of the Loan Documents (other than the Notes) may be executed on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement. It shall not be necessary in making proof of any Loan Document to produce or account for more than one counterpart signed by the party to be charged. A set of the copies of this Agreement signed by all of the parties hereto shall be lodged with each of the Borrower and the Administrative Agent. Any party to a Loan Document may rely upon the signatures of any other party thereto which are transmitted by fax or other electronic means to the same extent as if originally signed.

SECTION 11.9 Set-off and Sharing of Payments

(a) In addition to any rights and remedies of the Lenders provided by law, upon the occurrence of an Event of Default under Section 9.1(a) or (b) or upon the acceleration of the Loans, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower, to set-off and apply against any indebtedness or other liability, whether matured or unmatured, of the Borrower to such Lender arising under the Loan Documents, any amount owing from such Lender to the Borrower. To the extent permitted by applicable law, the aforesaid right of set-off may be exercised by such Lender against the Borrower or against any trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of the Borrower, or against anyone else claiming through or against the Borrower or such trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receivers, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by such Lender prior to the making, filing or issuance of, service upon such Lender of, or notice to such Lender of, any petition, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena, order or warrant. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after each such set-off and application made by such Lender, *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

(b) If any Lender (each a “*Benefited Lender*”) shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of its Loans or its Notes in excess of its pro rata share (in accordance with the outstanding principal balance of all Loans) of payments then due and payable on account of the Loans and Notes received by all the Lenders, such Lender shall forthwith purchase, without recourse, for cash, from the other Lenders such participations in their Loans and Notes as shall be necessary to cause such purchasing Lender to share the excess payment with each of them according to their pro rata share (in accordance with the outstanding principal balance of all Loans), *provided* that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and each such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery, together with an amount equal to such Lender’s pro rata share (according to the proportion of (i) the amount of such Lender’s required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees, to the fullest extent permitted by law, that any Lender so purchasing a participation from another Lender pursuant to this Section may exercise such rights to payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 11.10 Indemnity

(a) The Borrower shall indemnify each Credit Party and each Related Party thereof (each such Person being called an “*Indemnified Person*”) against, and hold each Indemnified Person harmless from, any and all losses, claims, damages, liabilities and related

expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnified Person, incurred by or asserted against any Indemnified Person arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the transactions contemplated hereby or any other transactions contemplated thereby (including the Caremark Acquisition), (ii) any Loan or the use of the proceeds thereof, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of the Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnified Person is a party thereto, *provided* that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person. Notwithstanding the above, the Borrower shall have no liability under clause (i) of this Section to indemnify or hold harmless any Indemnified Person for any losses, claims, damages, liabilities and related expenses relating to income or withholding taxes or any tax in lieu of such taxes.

(b) To the extent that the Borrower fails to promptly pay any amount required to be paid by it to the Administrative Agent under subsection (a) of this Section, each Lender severally agrees to pay to the Administrative Agent an amount equal to the product of such unpaid amount *multiplied by* (i) at any time prior to the making of Loans pursuant to Section 2.1(a) or at any time when Loans are outstanding, its Pro Rata Percentage and (ii) if the Loans have been repaid in full, its Pro Rata Percentage on the last day on which such Loans were outstanding (in each case with respect to clause (ii) immediately above, determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent in its capacity as such.

(c) The obligations of the Borrower and the Lenders under this Section 11.10 shall survive the termination of the Commitments and the payment or repayment of the Loans and the Notes and all other amounts payable under the Loan Documents.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct and actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement, instrument or other document contemplated thereby, the transactions contemplated hereby or any Loan or the use of the proceeds thereof.

SECTION 11.11 Governing Law

The Loan Documents and the rights and obligations of the parties thereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

SECTION 11.12 Severability

Every provision of the Loan Documents is intended to be severable, and if any term or provision thereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

SECTION 11.13 Integration

All exhibits to the Loan Documents shall be deemed to be a part thereof. Each Loan Document embodies the entire agreement and understanding between or among the parties thereto with respect to the subject matter thereof and supersedes all prior agreements and understandings between or among the parties thereto with respect to the subject matter thereof.

SECTION 11.14 Treatment of Certain Information

Each Credit Party agrees to maintain as confidential and not to disclose, publish or disseminate to any third parties any financial or other information relating to the business, operations and condition, financial or otherwise, of the Borrower provided to it, except if and to the extent that:

- (a) such information is in the public domain at the time of disclosure;
- (b) such information is required to be disclosed by subpoena or similar process or applicable law or regulations;
- (c) such information is required or requested to be disclosed to any regulatory or administrative body or commission to whose jurisdiction it may be subject;
- (d) such information is disclosed to its counsel, auditors or other professional advisors;
- (e) such information is disclosed to (and, unless and until it receives written objection from the Borrower, the Borrower shall be deemed to have consented to disclosure of such information to) its affiliates (and its affiliates' officers, directors and employees), provided that such information shall be used in connection with this Agreement and the transactions contemplated hereby;
- (f) such information is disclosed to its officers, directors and employees;
- (g) such information is disclosed with the prior written consent of the party furnishing the information;
- (h) such information is disclosed in connection with any litigation or dispute involving the Borrower and/or it;

(i) such information is disclosed in connection with the sale of a participation or other disposition by it of any of its interest in this Agreement, provided that such information shall not be disclosed unless and until the party to whom it shall be disclosed shall have agreed to keep such information confidential as set forth herein;

(j) such information was in its possession or in its affiliate's possession as shown by clear and convincing evidence prior to any of the Borrower and/or any of the Borrower's representatives or agents furnishing such information to it; or

(k) such information is received by it, without restriction as to its disclosure or use, from a Person who, to its knowledge or reasonable belief, was not prohibited from disclosing such information by any duty of confidentiality.

Except to the extent prohibited or restricted by law or Governmental Authority, each Lender shall notify the Borrower promptly of any disclosures of information made by it as permitted pursuant to (h) above.

SECTION 11.15 Acknowledgments

The Borrower acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of the Loan Documents, (b) by virtue of the Loan Documents, neither the Administrative Agent nor any Lender has any fiduciary relationship to the Borrower, and the relationship between the Administrative Agent and the Lenders, on the one hand, and the Borrower, on the other hand, is solely that of debtor and creditor, and (c) by virtue of the Loan Documents, no joint venture exists among the Lenders or among the Borrower and the Lenders.

SECTION 11.16 Consent to Jurisdiction

The Borrower irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal Court sitting in the City of New York over any suit, action or proceeding arising out of or relating to the Loan Documents. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Borrower agrees that a final judgment in any such suit, action or proceeding brought in such a court, after all appropriate appeals, shall be conclusive and binding upon it.

SECTION 11.17 Service of Process

The Borrower agrees that process may be served against it in any suit, action or proceeding referred to in Section 11.16 by sending the same by first class mail, return receipt requested or by overnight courier service, with receipt acknowledged, to the address of the Borrower set forth in Section 11.2. The Borrower agrees that any such service (i) shall be deemed in every respect effective service of process upon it in any such suit, action, or proceeding, and (ii) shall to the fullest extent enforceable by law, be taken and held to be valid personal service upon and personal delivery to it.

SECTION 11.18 No Limitation on Service or Suit

Nothing in the Loan Documents or any modification, waiver, or amendment thereto shall affect the right of the Administrative Agent or any Lender to serve process in any manner permitted by law or limit the right of the Administrative Agent or any Lender to bring proceedings against the Borrower in the courts of any jurisdiction or jurisdictions.

SECTION 11.19 WAIVER OF TRIAL BY JURY

EACH CREDIT PARTY AND THE BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY. FURTHER, THE BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF ANY CREDIT PARTY, OR COUNSEL TO THE ANY CREDIT PARTY, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT ANY CREDIT PARTY WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. THE BORROWER ACKNOWLEDGES THAT EACH CREDIT PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, *INTER ALIA*, THE PROVISIONS OF THIS SECTION.

SECTION 11.20 Effective Date

This Agreement shall be effective at such time (the “*Effective Date*”) as the Administrative Agent shall have received executed counterparts hereof by the Borrower, the Administrative Agent and each Lender and the conditions set forth in Section 5.1, Section 5.2 and Section 5.3 have been or simultaneously will be satisfied, *provided* that this Agreement shall not become effective or be binding on any party hereto unless all of such conditions are satisfied not later than November 1, 2007.

SECTION 11.21 PATRIOT Act Notice

Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*PATRIOT Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the PATRIOT Act.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto, by their respective officers thereunto duly authorized, have executed this Agreement on the date first above written.

CVS CORPORATION

By: /s/ Carol A. DeNale

Name: Carol A. DeNale

Title: Vice President and Treasurer

LEHMAN BROTHERS INC.,
as Arranger

By: /s/ Claire O'Connor

Name: Claire O'Connor

Title: Managing Director

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent and a Lender

By: /s/ Claire O'Connor

Name: Claire O'Connor

Title: Managing Director

MORGAN STANLEY SENIOR FUNDING, INC.,
as Arranger, Syndication Agent and a Lender

By: /s/ Elizabeth Hendricks

Name: Elizabeth Hendricks

Title: Vice President

THE BANK OF NEW YORK, as Co-
Documentation Agent and a Lender

By: /s/ Erin Morrissey

Name: Erin Morrissey

Title: Assistant Vice President

BANK OF AMERICA, N.A., as Co-
Documentation Agent and a Lender

By: /s/ John Pocalyko
Name: John Pocalyko
Title: Senior Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agent and a Lender

By: /s/ Denis Waltrich

Name: Denis Waltrich

Title: Vice President

ABN AMRO Bank N.V., as a Lender

By: /s/ Tracie Elliot

Name: Tracie Elliot

Title: Senior Vice President

By: /s/ Thomas T. Rogers

Name: Thomas T. Rogers

Title: Managing Director

Branch Banking and Trust Company, as a Lender

By: /s/ Eric Searls

Name: Eric Searls

Title: Assistant Vice President

HSBC Bank USA, as a Lender

By: /s/ Michael Frawley

Name: Michael Frawley

Title: Senior Vice President

KeyBank National Association, as a Lender

By: /s/ Marianne T. Meil

Name: Marianne T. Meil

Title: Senior Vice President

Mizuho Corporate Bank, Ltd., as a Lender

By: /s/ Bertram H. Tang

Name: Bertram H. Tang

Title: Senior Vice President & Team
Leader

SUMITOMO MITSUI BANKING
CORPORATION, as a Lender

By: /s/ David A. Buck

Name: David A. Buck

Title: Senior Vice President

SunTrust Bank, as a Lender

By: /s/ John N. Gregg, Jr. _____

Name: John N. Gregg, Jr.

Title: Managing Director

US Bank, N.A., as a Lender

By: /s/ David J. Dannemiller

Name: David J. Dannemiller

Title: Vice President

Wells Fargo Bank, N.A., as a Lender

By: /s/ Megan Donnelly

Name: Megan Donnelly

Title: Vice President

BRIDGE CREDIT AGREEMENT

EXHIBIT A

COMMITMENTS

Lender	Commitment
Lehman Commercial Paper Inc.	\$935,000,000
Morgan Stanley Senior Funding, Inc.	935,000,000
The Bank of New York	810,000,000
Bank of America, N.A.	810,000,000
Wachovia Bank, National Association.	810,000,000
ABN AMRO Bank	250,000,000
KeyBank	250,000,000
SunTrust Bank	250,000,000
HSBC	122,000,000
Mizuho	122,000,000
Sumitomo Mitsui Bank	122,000,000
US Bank	122,000,000
Wells Fargo Bank	122,000,000
BB&T	90,000,000
Total:	<u>\$5,750,000,000</u>

BRIDGE CREDIT AGREEMENT

EXHIBIT B

FORM OF NOTE

[____], 2007
New York, New York

FOR VALUE RECEIVED, the undersigned, CVS CORPORATION, a Delaware corporation (the “Borrower”), hereby promises to pay to the order of _____ (the “Lender”) the outstanding principal balance of the Lender’s Loan, together with interest thereon, at the rate or rates, in the amounts and at the time or times set forth in the Bridge Credit Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the “Bridge Credit Agreement”), dated as of March [____], 2007, by and among the Borrower, the Lenders party thereto, Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners, Morgan Stanley Senior Funding, Inc., as syndication agent, The Bank of New York, Bank of America, N.A. and Wachovia Bank, National Association, as co-documentation agents, and Lehman Commercial Paper Inc., as administrative agent (in such capacity, the “Administrative Agent”), in each case at the office of the Administrative Agent located at 745 Seventh Avenue, New York, New York, or at such other place as the Administrative Agent may specify from time to time, in lawful money of the United States of America in immediately available funds.

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Bridge Credit Agreement.

The Loan evidenced by this Note is prepayable in the amounts, and on the dates, set forth in the Bridge Credit Agreement. This Note is one of the Notes under the Bridge Credit Agreement, and is subject to, and shall be construed in accordance with, the provisions thereof, and is entitled to the benefits set forth in the Loan Documents.

The Lender is hereby authorized to record on the schedule annexed hereto, and any continuation sheets which the Lender may attach thereto (a) the date and amount of the Loan made by the Lender, (b) the Eurodollar Interest Period for the Loan (Eurodollar Advance only) made by the Lender, (c) the Type of the Loan made by the Lender as an ABR Advance, a Eurodollar Advance, or a combination thereof, (d) the Eurodollar Rate applicable to the Loan (Eurodollar Advance only) made by the Lender and (e) the date and amount of each Conversion of the Loan made by the Lender, and each payment or prepayment of principal of, the Loan made by the Lender. The failure to so record or any error in so recording shall not affect the obligation of the Borrower to repay the Loan, together with interest thereon, as provided in the Bridge Credit Agreement.

Except as specifically otherwise provided in the Bridge Credit Agreement, the Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other demands, protests and notices in connection with the execution, delivery, performance, collection and enforcement of this Note.

This Note is being delivered in, is intended to be performed in, shall be construed and interpreted in accordance with, and be governed by the laws of, the State of New York.

This Note may only be amended by an instrument in writing executed pursuant to the provisions of Section 11.1 of the Bridge Credit Agreement.

CVS CORPORATION

By: _____

Name:

Title

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SCHEDULE TO NOTE

Date of Loan	Type and Amount of Loan	Eurodollar Interest Period (Eurodollar Advance only)	Type of Loan (ABR or Eurodollar)	Eurodollar Rate (Eurodollar Advance only)	Date and Amount of Conversion of Loan	Date and Amount of Principal Payment or Prepayment	Notation Made by

BRIDGE CREDIT AGREEMENT

EXHIBIT C

FORM OF BORROWING REQUEST

[Date]

Lehman Commercial Paper Inc., as Administrative Agent
745 Seventh Avenue, 5th Floor
New York, New York 10019
Attention: Maritza Ospina

Re: Bridge Credit Agreement, dated as of March [], 2007, by and among CVS Corporation, the Lenders party thereto, Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as Arrangers, Morgan Stanley Senior Funding, Inc., as Syndication Agent, The Bank of New York, Bank of America, N.A. and Wachovia Bank, National Association, as co-documentation agents, and Lehman Commercial Paper Inc., as Administrative Agent (as amended, supplemented or otherwise modified from time to time, "Bridge Credit Agreement")

Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Bridge Credit Agreement.

Pursuant to Section 2.2 of the Credit Agreement, the Borrower hereby gives notice of its intention to borrow Loans in the aggregate sum of \$ _____ on _____, which borrowing shall consist of the following:

ABR Advance or <u>Eurodollar Advance</u>	<u>Amount</u>	Eurodollar Interest Period (applicable only for a <u>Eurodollar Advance</u>)
---	---------------	---

The Borrower hereby represents and warrants that on the Borrowing Date set forth above, and after giving effect to the Loans requested hereby:

(a) There shall exist no Default or Event of Default.

(b) The representations and warranties contained in the Bridge Credit Agreement shall be true and correct, except those which are expressly specified to be made as of an earlier date.

The Borrower hereby instructs the Administrative Agent to deposit the proceeds of the Loans to the following account of the Borrower:

Account Name:

Account Number

Bank Name:

Bank Address:

ABA Number:

Contact Name:

[Remainder of page intentionally left blank]

IN EVIDENCE of the foregoing, the undersigned has caused this Borrowing Request to be duly executed on its behalf.

CVS CORPORATION

By: _____

Name:

Title

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BRIDGE CREDIT AGREEMENT

EXHIBIT D-1

FORM OF OPINION

[], 2007

The Lenders and
the Administrative Agent Referred to Below
c/o Lehman Commercial Paper Inc.,
as Administrative Agent
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

I am general counsel of CVS Corporation, a Delaware corporation (the “**Borrower**”), and have acted as such in connection with the Bridge Credit Agreement, dated as of March [], 2007, by and among the Borrower, the Lenders party thereto, Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as Arrangers, Morgan Stanley Senior Funding, Inc., as Syndication Agent, Lehman Commercial Paper Inc., as Administrative Agent, and The Bank of New York, Bank of America, N.A. and Wachovia Bank, National Association, as Co-Documentation Agents (as in effect on the date hereof, the “**Bridge Credit Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Bridge Credit Agreement.

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 and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion. In rendering my opinions set forth below, I have assumed (i) the due authorization, execution and delivery by all parties thereto (other than the Borrower) of the Bridge Credit Agreement, (ii) the authenticity of all documents submitted to me as originals and (iii) the conformity to original documents of all documents submitted to me as copies.

Based upon the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Borrower has all requisite corporate power and authority to own its Property and to carry on its business as now conducted.

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2. The Borrower is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it owns or leases real Property or in which the nature of its business requires it to be so qualified (except those jurisdictions where the failure to be so qualified or to be in good standing could not reasonably be expected to have a Material Adverse effect).

3. The execution, delivery and performance by the Borrower of the Bridge Credit Agreement and the Notes are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action on the part of the Borrower.

4. The execution, delivery and performance by the Borrower of the Bridge Credit Agreement and Notes do not require any action or approval on the part of the shareholders of the Borrower or any action by or in respect of, or filing with, any governmental body, agency or official under United States federal law or the Delaware General Corporation Law, and do not contravene, or constitute a default under, any provision of (i) United States federal law or the Delaware General Corporation Law, (ii) the Certificate of Incorporation or bylaws of the Borrower or (iii) any existing material mortgage, material indenture, material contract or material agreement, in each case binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary.

5. The Bridge Credit Agreement and the Notes delivered by the Borrower on or prior to the date hereof have been duly executed and delivered by the Borrower and each constitutes the valid and binding agreement of the Borrower, in each case enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect affecting the enforcement of creditors' rights generally and to general principles of equity.

6. The Borrower is not an "investment company" (as such term is defined in the United States Investment Company Act of 1940, as amended).

7. To the best of my knowledge, there are no actions, suits, arbitration proceedings or claims (whether purportedly on behalf of the Borrower, any Subsidiary or otherwise) pending or threatened against the Borrower or any Subsidiary or any of their respective Properties, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse effect. To the best of my knowledge, there are no proceedings pending or threatened against the Borrower or any Subsidiary (a) which call into question the validity or enforceability of, or otherwise seek to invalidate, any Loan Document or (b) which could reasonably be expected to, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document.

8. To the best of my knowledge, the Borrower is not in default under any agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse effect.

9. To the best of my knowledge, no provision of any judgment, decree or order, in each case binding on the Borrower or any Subsidiary or affecting the Property of the Borrower or any Subsidiary conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance by the Borrower of the terms of, any Loan Document.

The foregoing opinion is subject to the following qualifications:

- (a) I express no opinion as to the effect (if any) of any law of any jurisdiction (except the Commonwealth of Massachusetts) in which any Lender is located which may limit the rate of interest that such Lender may charge or collect.
- (b) I express no opinion as to provisions in the Bridge Credit Agreement which purport to create rights of set-off in favor of participants or which provide for set-off to be made otherwise than in accordance with applicable laws.
- (c) I note that public policy considerations or court decisions may limit the rights of any party to obtain indemnification under the Bridge Credit Agreement.

I am a member of the bar of the Commonwealth of Massachusetts and the foregoing opinion is limited to the laws of the Commonwealth of Massachusetts, the federal law of the United States of America and the Delaware General Corporation Law. For purposes of paragraph 5 of this opinion, I have assumed that, with your permission and without any research or investigation, the laws of the State of New York are identical to the law of the Commonwealth of Massachusetts.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without my prior written consent, except that any person that becomes a Lender in accordance with the provisions of the Bridge Credit Agreement may rely upon this opinion as if it were specifically addressed and delivered to such person on the date hereof.

Very truly yours,

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BRIDGE CREDIT AGREEMENT

EXHIBIT D-2

FORM OF OPINION

[], 2007

The Lenders and
the Administrative Agent Referred to Below
c/o Lehman Commercial Paper Inc.,
as Administrative Agent
745 Seventh Avenue
New York, New York 10019

Re: CVS Corporation

Ladies and Gentlemen:

We have acted as special New York counsel to CVS Corporation, a Delaware corporation (the “**Company**”), in connection with the Bridge Credit Agreement, dated as of March [____], 2007, among the Company, the lenders listed on the signature pages thereof (the “**Lenders**”), Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners (in such capacity, the “**Arrangers**”), Morgan Stanley Senior Funding, Inc., as syndication agent (in such capacity, the “**Syndication Agent**”), Lehman Commercial Paper Inc., as administrative agent (in such capacity, the “**Administrative Agent**”), and The Bank of New York, Bank of America, N.A. and Wachovia Bank, National Association, as co-documentation agents (in such capacity, the “**Co-Documentation Agents**”) (as in effect on the date hereof, the “**Bridge Credit Agreement**”). Capitalized terms defined in the Bridge Credit Agreement and not otherwise defined herein are used herein as therein defined.

We have reviewed an executed copy of the Bridge Credit Agreement. In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments, and have conducted such other investigations of fact and law, as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that (i) the Bridge Credit Agreement constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, and (ii) the execution, delivery and performance by the Company of the Bridge Credit Agreement (x) require no consent or other action by or in respect of, or filing with, any gov-

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ernmental body, agency or official under New York State law, and (y) do not contravene, or constitute a default under, any provision of New York State law or regulation that in our experience is normally applicable to general business corporations in relation to transactions of the type contemplated by the Bridge Credit Agreement.

The foregoing opinions are subject to the following qualifications and assumptions:

(a) Our opinions are subject to the effects of applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability, and the enforceability of indemnification provisions may be limited by Federal or State laws or policies underlying such laws.

(b) We express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located that may limit the rate of interest that such Lender may charge or collect.

(c) We express no opinion as to the effect of Section 548 of the United States Bankruptcy Code or any similar provisions of State law.

(d) We have assumed, with your permission and without independent investigation, that (i) the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, (ii) the execution, delivery and performance by the Company of the Bridge Credit Agreement are within its corporate powers and have been duly authorized by all necessary corporate and other action, and (iii) the execution, delivery and performance by the Company of the Bridge Credit Agreement (x) require no consent or other action by or in respect of, or filing with, any governmental body, agency or official under United States federal law or the Delaware General Corporation Law and (y) do not contravene, or constitute a default under, any provision of (a) United States federal law or regulation or the Delaware General Corporation Law, or (b) the certificate of incorporation or bylaws of the Company.

We are members of the bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person (other than an assignee permitted under Section 11.7 of the Bridge Credit Agreement) without our prior written consent.

Very truly yours,

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BRIDGE CREDIT AGREEMENT

EXHIBIT E

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

Reference is made to the Bridge Credit Agreement, dated as of March [___], 2007 (as amended and in effect on the date hereof, the “**Bridge Credit Agreement**”), by and among CVS Corporation, the Lenders party thereto, Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as Arrangers, Morgan Stanley Senior Funding, Inc., as Syndication Agent, Lehman Commercial Paper Inc., as Administrative Agent, and The Bank of New York, Bank of America, N.A. and Wachovia Bank, National Association, as Co-Documentation Agents. Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Bridge Credit Agreement.

The Assignor named below hereby sells and assigns, without recourse, to the Assignee named below, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Assignment Date (defined below), the interests set forth below (the “Assigned Interest”) in the Assignor’s rights and obligations under the Bridge Credit Agreement, including, without limitation, the interests set forth below in the Commitment and the Loans owing to the Assignor that are outstanding on the Assignment Date, but excluding accrued interest and fees to and excluding the Assignment Date. The Assignee hereby acknowledges receipt of a copy of the Bridge Credit Agreement. From and after the Assignment Date, (i) the Assignee shall be a party to and be bound by the provisions of the Bridge Credit Agreement and, to the extent of the Assigned Interest, have the rights and obligations of a Lender under the Loan Documents and (ii) the Assignor shall, to the extent of the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Documents.

This Assignment and Acceptance is being delivered to the Administrative Agent, together with (i) if the Assignee is a Foreign Lender, any documentation required to be delivered by the Assignee pursuant to Section 3.10(b) of the Bridge Credit Agreement, duly completed and executed by the Assignee, and (ii) if the Assignee is not already a Lender under the Bridge Credit Agreement, an Administrative Questionnaire in the form supplied by the Administrative Agent, duly completed by the Assignee. The [Assignee/Assignor]¹ shall pay the fee payable to the Administrative Agent pursuant to Section 11.7(b) of the Bridge Credit Agreement.

¹ Delete inapplicable term.

THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY, AND
CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of

Assignment (the "Assignment Date"):

Commitment Assigned:

Principal Amount of Loans Assigned:

[SIGNATURE PAGE FOLLOWS]

The terms set forth above are hereby agreed to:

[Name of Assignor], as Assignor

By:

[Name of Assignee], as Assignee

By:

The undersigned hereby consent to the within assignment:

CVS CORPORATION

By:

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent

By:

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

GLOBAL AMENDMENT (this "Amendment"), dated as of March 15, 2007, to the following Credit Agreements:

(i) Five Year Credit Agreement, dated as of June 11, 2004, by and among CVS Corporation (the "Borrower"), the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Securities, Inc., as co-syndication agents, ABN AMRO Bank N.V., as documentation agent, and The Bank of New York, as administrative agent (the "2004 Five Year Credit Agreement");

(ii) Five Year Credit Agreement, dated as of June 3, 2005, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Credit Suisse First Boston, and Wachovia Bank, National Association, as co-syndication agents, SunTrust Bank, as documentation agent, and The Bank of New York, as administrative agent (the "2005 Five Year Credit Agreement");

(iii) Five Year Credit Agreement, dated as of May 12, 2006, by and among the Borrower, the lenders party thereto, Bank of America, N.A., Lehman Brothers Inc. and Wachovia Bank, National Association, as co-syndication agents, KeyBank National Association, as documentation agent, and The Bank of New York, as administrative agent (the "2006 Five Year Credit Agreement");

(iv) Five Year Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as co-syndication agents, Morgan Stanley Senior Funding, Inc., as documentation agent, and The Bank of New York, as administrative agent (the "2007 Five Year Credit Agreement"); and

(v) 364 Day Credit Agreement, dated as of March 12, 2007, by and among the Borrower, the lenders party thereto, Lehman Commercial Paper Inc. and Wachovia Bank, National Association, as co-syndication agents, and The Bank of New York, as administrative agent (the "2007 364 Day Credit Agreement" and, together with the 2004 Five Year Credit Agreement, the 2005 Five Year Credit Agreement, the 2006 Five Year Credit Agreement and the 2007 Five Year Credit Agreement, the "Credit Agreements"; each a "Credit Agreement").

Except as otherwise provided herein, capitalized terms used herein which are not defined herein shall have the meanings set forth in the applicable Credit Agreements.

In consideration of the covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby

acknowledged, and pursuant to Section 11.1 of each of the Credit Agreements, the parties hereto hereby agree as follows:

1. The definition of “Intercompany Debt” in each of the Credit Agreements is hereby amended to delete the word “demand” appearing in clause (ii) thereof.

2. Each of the Lenders hereby waives any Default or Event of Default that may exist under any of the Credit Agreements solely as a result of the failure of the Borrower to be in compliance with Section 8.1 of each of the Credit Agreements without giving effect to this Amendment.

3. This Amendment shall become effective on and as of the date hereof as to each of the Credit Agreements upon the receipt by The Bank of New York, as Administrative Agent under each of the Credit Agreements, of counterparts of this Amendment executed by the Borrower and the Required Lenders under each of the Credit Agreements.

4. Except as amended hereby, each of the Credit Agreements and the other Loan Documents under each of the Credit Agreements shall remain in full force and effect.

5. This Amendment may be executed in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement. It shall not be necessary in making proof of this Amendment to produce or account for more than one counterpart signed by the party to be charged. A set of the copies of this Amendment signed by all of the parties hereto shall be lodged with each of the Borrower and The Bank of New York, as Administrative Agent under each of the Credit Agreements. Any party to this Amendment may rely upon the signatures of any other party hereto which are transmitted by fax or other electronic means to the same extent as if originally signed.

6. This Amendment shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

[signature pages follow]

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

The parties have caused this Amendment to be duly executed as of the date first written above.

CVS CORPORATION

By: /s/ Carol A. DeNale
Name: Carol A. DeNale
Title: Vice President and Treasurer

THE BANK OF NEW YORK, in its
capacity as a Lender and in its
capacity as the Administrative Agent
under each of the Credit Agreements

By: /s/ Erin Morrissey
Name: Erin Morrissey
Title: Assistant Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

BANK OF AMERICA, N.A., as Co-Documentation Agent and
a Lender

By: /s/ John Pocalyko
Name: John Pocalyko
Title: Senior Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

MORGAN STANLEY SENIOR FUNDING, INC., in its
capacity
as Documentation Agent

By: /s/ Elizabeth Hendricks
Name: Elizabeth Hendricks
Title: Vice President

MORGAN STANLEY BANK, in its capacity
as a Lender

By: /s/ Dawn M. Dawson
Name: Dawn M. Dawson
Title: Authorized Signatory

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

HSBC BANK USA

By: /s/ Martin J. Haythorne

Name: Martin J. Haythorne

Title: Managing Director

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

KEYBANK NATIONAL ASSOCIATION

By: /s/ Marianne T. Meil
Name: Marianne T. Meil
Title: Senior Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Shigeru Tsuru
Name: Shigeru Tsuru
Title: Joint General Manager

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

ABN AMRO BANK N.V.

By: /s/ Tracie Elliot
Name: Tracie Elliot
Title: Senior Vice President

By: /s/ David Carrington
Name: David Carrington
Title: Director

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

WELLS FARGO BANK

By: /s/ Donald Schwartz
Name: Donald Schwartz
Title: Senior Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

SOVEREIGN BANK

By: /s/ Robert F. Camara
Name: Robert F. Camara
Title: Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

CHANG HWA COMMERCIAL BANK, LTD.,
LOS ANGELES BRANCH

By: /s/ Wen-Che Chen
Name: Wen-Che Chen
Title: VP & General Manager

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

SUNTRUST BANK

By: /s/ Richard C. Wilson

Name: Richard C. Wilson

Title: Managing Director

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

MIZUHO CORPORATE BANK, LTD.

By: /s/ Bertram H. Tang
Name: Bertram H. Tang
Title: Senior Vice President & Team Leader

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

REGIONS BANK

By: /s/ Berkin Istanbuluoglu
Name: Berkin Istanbuluoglu
Title: Assistant Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Denis Waltrich

Name: Denis Waltrich

Title: Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Ching Lim
Name: Ching Lim
Title: Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

NATIONAL CITY BANK

By: /s/ Amanda M. Sigg
Name: Amanda M. Sigg
Title: Relationship Manager

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

THE NORTHERN TRUST COMPANY

By: /s/ Ashish S. Bhagwat

Name: Ashish S. Bhagwat

Title: Vice President

CVS CORPORATION

GLOBAL AMENDMENT TO CREDIT AGREEMENTS

LEHMAN BROTHERS BANK, FSB

By: /s/ Janine M. Shugan

Name: Janine M. Shugan

Title: Authorized Signatory

CVS/Caremark Merger Closes, Creating the Nation's Leading Pharmacy Services Company

WOONSOCKET, R.I. --CVS Corporation and Caremark Rx, Inc. today announced that they have formally closed their transformative merger of equals, creating the nation's premier integrated pharmacy services provider. The combined company, renamed CVS/Caremark Corporation (NYSE: CVS), unifies the nation's largest pharmacy chain with a leading pharmaceutical services company, creating the opportunity to deliver unique products and services that will help manage costs for employers and improve access and choice for consumers.

"Today's close of our landmark merger will enable us to begin delivering substantial benefits to shareholders, customers and employees," said Tom Ryan, CVS/Caremark's President and Chief Executive Officer. "CVS/Caremark will offer end-to-end services, from plan design to prescription fulfillment, as well as the opportunity to improve clinical outcomes, which will result in better control over healthcare costs for employers and plan providers. The company will improve the delivery of pharmacy services and healthcare decision making, enabling consumers to benefit from unparalleled access, greater convenience and more choice. We look forward to capitalizing on the tremendous opportunity ahead of us to improve the delivery of pharmacy services."

"After months of planning, we are excited to realize our shared vision of creating the premier provider of pharmacy services in the nation," said Mac Crawford, Chairman of CVS/Caremark. "Together we will deliver unique products and services that are responsive to the needs of employers, health plans and consumers, and do it in more convenient and flexible ways that allows consumers to take more control of their healthcare needs."

In light of the closing, CVS/Caremark will commence a cash tender offer in approximately five business days for 150 million, or about 10 percent, of its outstanding shares at a fixed price of \$35 per share.

The combined company will trade on the New York Stock Exchange under the symbol "CVS." Effective today, trading in Caremark stock (NYSE: CMX - News) has been discontinued.

About CVS/Caremark

CVS/Caremark is the nation's premier integrated pharmacy services provider, combining one of the nation's leading pharmaceutical services companies with the country's largest pharmacy chain. The company fills or manages more than one billion prescriptions per year, more than any other pharmacy services

provider. CVS/Caremark drives value for pharmacy services customers by effectively managing pharmaceutical costs and improving healthcare outcomes through its 6,200 CVS/pharmacy stores; its pharmacy benefit management, mail order and specialty pharmacy division, Caremark Pharmacy Services; its retail-based health clinic subsidiary, MinuteClinic; and its online pharmacy, CVS.com. General information about CVS/Caremark is available through the Investor Relations portion of the Company's website, at <http://investor.cvs.com>, as well as through the pressroom portion of the Company's website, at www.cvs.com/pressroom.

Certain Information Regarding the Tender Offer After Closing of the Merger

The information in this press release describing CVS' planned tender offer following closing of the CVS/Caremark merger is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of CVS/Caremark's common stock in the tender offer. The tender offer will be made only pursuant to the Offer to Purchase and the related materials that CVS/Caremark will distribute to its shareholders. Shareholders should read the Offer to Purchase and the related materials carefully because they contain important information, including the various terms and conditions of the tender offer. Subsequent to the commencement of the tender offer, shareholders of CVS/Caremark will be able to obtain a free copy of the Tender Offer Statement on Schedule TO, the Offer to Purchase and other documents that CVS/Caremark will be filing with the Securities and Exchange Commission from the Commission's website at www.sec.gov. Shareholders may also obtain a copy of these documents, without charge, from Morrow & Co., Inc., the information agent for the tender offer, toll free at 1 (800) 245-1502 when these documents become available. Shareholders are urged to carefully read these materials prior to making any decision with respect to the tender offer. Shareholders and investors who have questions or need assistance may call Morrow & Co., Inc., the information agent for the tender offer, toll free at 1 (800) 245-1502.

Cautionary Statement Regarding Forward-Looking Statements

This document contains certain forward-looking statements about CVS and Caremark. When used in this document, the words "anticipates", "may", "can", "believes", "expects", "projects", "intends", "likely", "will", "to be" and any similar expressions and any other statements that are not historical facts, in each case as they relate to CVS or Caremark or to the combined company, the management of either such company or the combined company or the transaction are intended to identify those assertions as forward-looking statements. In making any of those statements, the person making them believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected or anticipated. These forward-looking statements, including, without limitation, statements relating to anticipated accretion, return

on equity, cost synergies, incremental revenues and new products and offerings, are subject to numerous risks and uncertainties. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond the control of CVS and Caremark, including macroeconomic condition and general industry conditions such as the competitive environment for retail pharmacy and pharmacy benefit management companies, regulatory and litigation matters and risks, legislative developments, changes in tax and other laws and the effect of changes in general economic conditions. The actual results or performance by CVS or Caremark or the combined company, and issues relating to the transaction, could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of CVS or Caremark, the combined company or the transaction.

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CVS/Caremark Corporation Announces Board of Directors

WOONSOCKET, R.I. --CVS/Caremark Corporation (NYSE: CVS) today announced the members of the Company's Board of Directors. As previously disclosed, members of the 14-member Board of Directors were evenly split among designees from CVS Corporation and Caremark Rx, Inc. Former Caremark Chairman and CEO Mac Crawford has been elected as Chairman of the Board of Directors of the combined company. Tom Ryan will continue to serve as President and Chief Executive Officer, a position he has held at CVS/pharmacy since 1994.

The following individuals named to the Board from CVS are:

- Thomas M. Ryan - President and CEO, CVS/Caremark Corporation
- David W. Dorman - Senior Advisor and Partner, Warburg Pincus LLC
- Marian L. Heard - President and CEO, Oxen Hill Partners
- William H. Joyce - Chairman and CEO, Nalco Company
- Terrence Murray -former Chairman and CEO, FleetBoston Financial Corporation
- Sheli Z. Rosenberg - former Vice Chairman, President and CEO, Equity Group Investments, LLC.
- Richard J. Swift - former Chairman, President, and CEO, Foster Wheeler Ltd.

The following individuals named to the Board from Caremark are:

- E. Mac Crawford - Chairman, CVS/Caremark Corporation
- Edwin M. Banks - Founder, Washington Corner Capital Management, LLC
- C. David Brown II - Chairman, Broad and Cassel
- Kristen E. Gibney Williams - former executive of Caremark's Prescription Benefits Management Division
- Roger L. Headrick - Managing General Partner, HMCH Ventures; President and CEO, ProtaTek International, Inc.
- Jean-Pierre Millon - former President and CEO, PCS Health Systems Inc.
- C.A. Lance Piccolo - CEO of HealthPic Consultants, Inc.

"We are delighted to announce the Board members that will guide CVS/Caremark as it looks to become a powerful force for change in the pharmaceutical services industry," Mr. Crawford said. "Our goal is to provide consumers with unparalleled access and more choice, employers and health plans with lower costs and innovative new programs, and shareholders with a highly efficient and more

valuable company. The expertise and experience of this collective group, we believe, leaves us best positioned to realize those goals."

"The composition of this Board is just another example of the combined strength this new company brings to the table," Mr. Ryan said.

About CVS/Caremark

CVS/Caremark is the nation's premier integrated pharmacy services provider, combining one of the nation's leading pharmaceutical services companies with the country's largest pharmacy chain. The company fills or manages more than one billion prescriptions per year, more than any other pharmacy services provider. CVS/Caremark drives value for pharmacy services customers by effectively managing pharmaceutical costs and improving healthcare outcomes through its 6,200 CVS/pharmacy stores; its pharmacy benefit management, mail order and specialty pharmacy division, Caremark Pharmacy Services; its retail-based health clinic subsidiary, MinuteClinic; and its online pharmacy, CVS.com. General information about CVS/Caremark is available through the Investor Relations portion of the Company's website, at <http://investor.cvs.com>, as well as through the pressroom portion of the Company's website, at www.cvs.com/pressroom.

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E. Mac Crawford's Pre-existing Caremark Employment Arrangements and Benefits

Caremark Employment Agreement. Under Caremark's employment agreement with E. Mac Crawford, in connection with Mr. Crawford's retirement from Caremark, Mr. Crawford is entitled to receive (1) an aggregate severance payment equal to the sum of (A) his base salary for the remaining term of his employment agreement and (B) a separation payment equal to at least two times his base salary (the separation payment being the cash equivalent of Mr. Crawford's annual bonus target) multiplied by the number of years (including fractions of years) remaining in the term of his employment agreement, and (2) continuation of welfare benefits (e.g., health, dental, disability and life insurance) for the remaining term of his employment agreement. Mr. Crawford's employment agreement was to expire on September 1, 2015. Upon his resignation, Mr. Crawford was entitled to a cash severance payment as described in clause (1) in an amount of approximately \$40,800,000. Mr. Crawford, however, as an indication of his commitment to the merger and his confidence in the long-term economic benefits to be derived from the merger, has agreed to accept cash severance payments in the reduced amount of \$26,400,000.

Supplemental Executive Retirement Plan. Mr. Crawford participates in Caremark's Supplemental Executive Retirement Plan and he became fully vested in all benefits payable under the plan in November of 2006. This plan entitles Mr. Crawford to a benefit equal to 60% of his "final average compensation" (defined as the average of his highest monthly base salary during any 36-month period during the 72 months preceding his termination) and becomes payable on a monthly basis on the first of the month following Mr. Crawford's termination of employment with Caremark. The monthly payment amount is reduced by 1/96 for each full month that benefits commence prior to Mr. Crawford reaching the age of 60. At Mr. Crawford's option, the benefits can be paid in the form of a joint and survivor annuity as specified in the plan or as a life annuity or in six annual installments. It is expected that the benefit will be funded through a trust established by Caremark.

Survivor Benefit Agreement. Mr. Crawford and Caremark have entered into a Survivor Benefit Agreement. In connection with the termination of Mr. Crawford's employment, Caremark is obligated to transfer to Mr. Crawford ownership of an insurance policy with a specified minimum death benefit at the time of such transfer equal to \$17 million and a minimum cash value at the time of the transfer of \$3,666,256. If Mr. Crawford recognizes taxable income for federal tax purposes at the time of the transfer of the insurance policy, Caremark is obligated to pay Mr. Crawford a tax gross-up amount equal to the amount of federal income taxes, including taxes attributable to payment of the gross-up amount.

Equity Holdings. As of the date hereof, Mr. Crawford holds approximately 133,600 shares of CVS common stock and options to purchase approximately 10,179,915 additional shares of CVS common stock under pre-existing Caremark stock incentive plans (this option estimate is subject to further verification based on option adjustment calculations in connection with the merger, which calculations are currently being performed).
