FORM 8-K

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RENAISSANCE COSMETICS INC /DE/

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SIC: **2844** Perfumes, cosmetics & other toilet preparations

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UNITED STATES
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): February 7, 1997

RENAISSANCE COSMETICS, INC.

(Exact name of registrant as specified in its charter)

State of Delaware	33-87280	06-1396287
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

955 Massachusetts Ave., Cambridge, Massachusetts	02139
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code (617) 497-5584

Not applicable

(Former name or former address, if changed since last report)

Item 7. Exhibits

Exhibit Number (Referenced to Item 601 of Regulation S-K)	Description of Exhibit
10.1	Purchase Agreement, dated February 3, 1997, between Renaissance Cosmetics, Inc., as issuer, and CIBC Wood Gundy Securities Corp., as initial purchaser.
10.2	Indenture, dated February 7, 1997, among Renaissance Cosmetics, Inc., as issuer, Renaissance Guarantor, Inc., as guarantor, and United States Trust Company of New York, as trustee.
10.3	Escrow and Disbursement Agreement, dated February 7, 1997, among Renaissance Cosmetics, Inc., as issuer, Renaissance Guarantor, Inc., as guarantor, United States Trust Company of New York, as trustee, and United States Trust Company of New York, as escrow agent.
10.4	Notes Registration Rights Agreement, dated February 7, 1997, between Renaissance Cosmetics, Inc., as issuer, and CIBC Wood Gundy Securities Corp., as initial purchaser.

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, thereunto duly authorized.

Date: February 19, 1997

RENAISSANCE COSMETICS, INC.

By: /s/ Thomas T.S. Kaung

Thomas T.S. Kaung
Group Vice-President, Finance
and Chief Financial Officer

EXHIBIT INDEX

Pursuant to Item 601 of Regulation S-K

Exhibit No.	Description of Exhibit

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10.2	Indenture, dated February 7, 1997, among Renaissance Cosmetics, Inc., as issuer, Renaissance Guarantor, Inc., as guarantor, and United States Trust Company of New York, as trustee.
10.3	Escrow and Disbursement Agreement, dated February 7, 1997, among Renaissance Cosmetics, Inc., as issuer, Renaissance Guarantor, Inc., as guarantor, United States Trust Company of New York, as trustee, and United States Trust Company of New York, as escrow agent.
10.4	Notes Registration Rights Agreement, dated February 7, 1997, between Renaissance Cosmetics, Inc., as issuer, and CIBC Wood Gundy Securities Corp., as initial purchaser.

SECURITIES PURCHASE AGREEMENT

by and between

RENAISSANCE COSMETICS, INC.

and

THE INITIAL PURCHASER NAMED HEREIN

Dated as of February 3, 1997

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EXHIBITS

Exhibit 1 Form of Opinion of Paul, Weiss, Rifkind, Wharton & Garrison
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Exhibit 6 Form of Opinion of Cahill Gordon & Reindel

SECURITIES PURCHASE AGREEMENT, dated as of February 3, 1997 (the "Agreement"), by and between RENAISSANCE COSMETICS, INC., a Delaware corporation (the "Company"), and CIBC WOOD GUNDY SECURITIES CORP. (the "Initial Purchaser").

In consideration of the mutual covenants and agreements set forth

herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Accredited Investor" has the meaning provided therefor in Section 3.2(a) of this Agreement.

"Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.

"Affiliate" of any specified Person means any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling" "controlled by," and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Agreement" means this Agreement, as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Basic Documents" means, collectively, the Indenture, the Notes, the Escrow Agreement, the Note Registration Rights Agreement and this Agreement.

"Closing" has the meaning provided therefor in Section 2.2(b) of this Agreement.

"Closing Date" has the meaning provided therefor in Section 2.2(b) of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning provided therefor in the Escrow Agreement.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Act.

"Common Stock" means the Common Stock, par value $.01 per share, of the Company.

"Company" means Renaissance Cosmetics, Inc., a Delaware corporation.

"Cosmar" means Cosmar Corporation, a Delaware corporation.

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

"DTC" has the meaning provided therefor in Section 2.2(c) of this Agreement.

"EBITDA" has the meaning provided therefor in the Final Memorandum.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any Person that, together with the Company or any of its Subsidiaries, is treated as a single employer under Section 414 of the Code.

"Escrow Account" has the meaning provided therefor in the Escrow Agreement.

"Escrow Agent" has the meaning provided therefor in the Escrow Agreement.

"Escrow Agreement" means the Escrow and Disbursement Agreement dated as of the Closing Date, by and among the Escrow Agent, the Trustee and the

Company relating to the Escrow Account.

"Event of Default" means any event defined as an Event of Default in the Indenture.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Exchange Notes" has the meaning provided therefor in the Note Registration Rights Agreement.

"Existing Registration Rights Agreements" means the Warrant Agreement dated as of August 18, 1994, between the Company and the American Bank, National Association, as warrant agent; the Registration Rights Agreement dated as of August 15, 1996 between the Company and CIBC Wood Gundy Securities Corp., as initial purchaser; the Common Stock Registration Rights Agreement dated as of August 15, 1996 between the Company and CIBC Wood Gundy Securities Corp., as initial purchaser; and the Senior Secured Credit Agreement dated as of December 4,1996 among Cosmar, the Company, certain of the Company's subsidiaries and the lenders named therein.

"Final Memorandum" has the meaning provided therefor in Section 2.1 of this Agreement.

"GAAP" has the meaning provided therefor in Section 1.2 of this Agreement.

"GAC" means Great American Cosmetics, Inc., a New York corporation.

"Indemnified Party" has the meaning provided therefor in Section 7.1(c) of this Agreement.

"Indemnifying Party" has the meaning provided therefor in Section 7.1(c) of this Agreement.

"Indenture" means the Indenture dated as of February 15, 1997 by and between the Company and the Trustee under which the Notes will be issued.

"Initial Purchaser" means CIBC Wood Gundy Securities Corp.

"Lien" means, with respect to any property or assets of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement, encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including without limitation, any Capitalized Lease Obligation (as defined in the Indenture), conditional sales, or other title retention agreement having substantially the same economic effect as any of the foregoing).

"Material Adverse Effect" means, with respect to the Company and its Subsidiaries, a material adverse effect on the business, properties, assets, condition (financial or otherwise) or results of operations of the Company and its Subsidiaries, taken as a whole; provided, that with respect to the Company, "Material Adverse Effect" shall also mean a material adverse effect on the ability of the Company to perform its obligations under this Agreement or the

other Basic Documents.

"Material Subsidiaries" means Cosmar, Dana Perfumes Corp., a Delaware corporation, GAC, Houbigant (1995) Limited/Houbigant (1995) Limit??e, a Canadian corporation, and MEM.

"MEM" means MEM Company, Inc., a New York corporation.

"Memorandum" has the meaning provided therefor in Section 2.1 of this Agreement.

"New Revolving Credit Facility" has the meaning provided therefor in the Final Memorandum.

"Note Registration Rights Agreement" means the Note Registration Rights Agreement dated as of the Closing Date by and between the Company and the Initial Purchaser relating to the Notes.

"Notes" means the 11 3/4% Senior Notes due 2004 of the Company.

"Offering Materials" has the meaning provided therefor in Section 7.1(a) of this Agreement.

"P&G Brands" has the meaning provided therefor in the Final Memorandum.

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

"PORTAL" means the Private Offerings, Resales and Trading through Automated Linkages Market.

"Preliminary Memorandum" has the meaning provided therefor in Section 2.1 of this Agreement.

"Private Exchange Notes" has the meaning provided therefor in the Note Registration Rights Agreement.

"Proceeding" has the meaning provided therefor in Section 7.1(c) of this Agreement.

"QIB" has the meaning provided therefor in Section 3.2(a) of this Agreement.

"Senior Notes" has the meaning provided therefor in the

Final Memorandum.

"Senior Notes Offer" has the meaning provided therefor in the Final Memorandum.

"Senior Secured Credit Facility" has the meaning provided therefor in the Final Memorandum.

"State" means each of the states of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

"State Commission" means any agency of any State having jurisdiction to enforce such State's securities laws.

"Stockholders Agreement" means the Stockholders Agreement dated August 10, 1994 between the Company and each of the individuals or entities which are parties thereto.

"Subsidiary" of any specified Person means any corporation, partnership, joint venture, association or other business entity, whether now existing or hereafter organized or acquired, (i) in the case of a corporation, of which more than 50% of the total voting power of the Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, officers or trustees thereof is held by such first-named Person or

any of its Subsidiaries; or (ii) in the case of a partnership, joint venture, association or other business entity, with respect to which such first-named Person or any of its Subsidiaries has the power to direct or cause the direction of the management and policies of such entity by contract or otherwise or if in accordance with GAAP such entity is consolidated with the first-named Person for financial statement purposes.

"Taxes" has the meaning provided therefor in Section 3.1(v) of this Agreement.

"Time of Purchase" has the meaning provided therefor in Section 2.2(b) of this Agreement.

"Trustee" means U.S. Trust Company of New York, as trustee under the Indenture.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission thereunder.

Section 1.2. Accounting Terms. All accounting terms used herein not expressly defined in this Agreement shall have the respective meanings given to them in accordance with generally accepted accounting principles in the United

States ("GAAP") as the same may be in effect from time to time.

ARTICLE II

ISSUE OF NOTES; PURCHASE AND SALE OF NOTES; RIGHTS OF HOLDERS OF NOTES; OFFERING BY INITIAL PURCHASER

Section 2.1. Issue of Notes. The Company has authorized the issuance of $200,000,000 aggregate principal amount of the Notes, which are to be issued pursuant to the Indenture. Each Note will be substantially in the form of the Note set forth as Exhibit A to the Indenture.

The Notes will be offered and sold to the Initial Purchaser without being registered under the Act, in reliance on exemptions therefrom.

In connection with the sale of the Notes, the Company has prepared a preliminary offering memorandum dated January 15, 1997 (such preliminary memorandum, as amended and supplemented from time to time, together with any

documents incorporated by reference therein, the "Preliminary Memorandum") and prepared a final offering memorandum dated February 3, 1997 (such final memorandum, as amended and supplemented from time to time, together with any documents incorporated by reference therein, the "Final Memorandum" and, together with the Preliminary Memorandum, the "Memorandum") setting forth or including a description of the terms of the Notes, the terms of the offering, a description of the Company and any material developments relating to the Company occurring after the date of the most recent financial statements included therein.

Section 2.2. Purchase, Sale and Delivery of Notes. (a) On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Company agrees that it will sell to the Initial Purchaser, and the Initial Purchaser agrees that it will purchase from the Company at the Time of Purchase, all of the $200,000,000 aggregate principal amount of the Notes at a price equal to 97.00% of the principal amount thereof.

(b) The purchase, sale and delivery of the Notes will take place at a closing (the "Closing") at the offices of Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the Americas, New York, New York, at 10:00 A.M., New York time, on February 7, 1997, (the "Closing Date") or such later date and time, if any, as the Initial Purchaser and the Company shall agree. The time at which such Closing is concluded is referred to as the "Time of Purchase."

(c) Delivery of the Notes to be purchased by the Initial Purchaser pursuant to this Agreement shall be made at the Closing by the Company by (i)

delivering global certificates representing the Notes to The Depository Trust Company ("DTC") or its agent and (ii) causing the DTC participant account designated by the Initial Purchaser to be credited with the Notes purchased by such Initial Purchaser against payment therefor in immediately available same day funds through the facilities of DTC for the account of the Company. The Company agrees that, in connection with the placement of the Notes, the Initial Purchaser may, in its discretion, deduct from the purchase price of the Notes to be remitted to the Company at the Closing the amount of the reasonable expenses and legal fees (in accordance with such firm's standard rates and without any premium and documented in reasonable detail) of Cahill Gordon & Reindel, counsel

to the Initial Purchaser, incurred in connection with the Offering (as defined in the Memorandum), the Memorandum, this Agreement, the Indenture, the Escrow Agreement and the Note Registration Rights Agreement, but in no case to exceed $275,000.

The Company will bear all expenses of shipping the Notes (including, without limitation, insurance expenses) from New York City to such other places within the United States of America or Canada as the Initial Purchaser shall specify. Any tax on the issuance of the Notes will be paid by the Company at the Time of Purchase pursuant to Section 8.7.

Section 2.3. Registration Rights of Holders of Notes. The Initial Purchaser and its direct and indirect transferees of the Notes will have such rights with respect to the registration thereof under the Act and qualification of the Indenture under the Trust Indenture Act as are set forth in the Note Registration Rights Agreement.

Section 2.4. Offering by the Initial Purchaser. The Initial Purchaser proposes to make an offering of the Notes at the price and upon the terms set forth in the Final Memorandum, as soon as practicable after this Agreement is entered into and as in the judgment of the Initial Purchaser is advisable.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1. Representations and Warranties of the Company. The Company represents and warrants to and agrees with the Initial Purchaser as follows:

(a) The Final Memorandum, as of its date and at the Time of Purchase, does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in

this Section 3.1(a) do not apply to statements or omissions made in reliance upon and in conformity with information relating to the Initial Purchaser and the proposed offering of the Notes furnished to the Company in writing by the Initial Purchaser expressly for use in the Final Memorandum or any amendment or supplement thereto.

(b) (i) The audited consolidated financial statements of the Company and its Subsidiaries, together with the related notes thereto, included in the Final Memorandum present fairly in all material respects the financial position, results of operations, stockholders' equity and cash flows of the Company and its Subsidiaries at the dates and for the periods to which they relate. The audited combined financial statements of Cosmar and its affiliate (predecessor), together with the related notes thereto, included in the Final Memorandum present fairly the results of operations, changes in excess and cash flows of the assets acquired and liabilities assumed or the income and cash flows of Cosmar and its affiliate, as the case may be, at the dates and for the periods to which they relate. After due inquiry, the Company has no reason to believe that the audited financial statements of GAC, together with the related notes thereto, included in the Final Memorandum do not present fairly in all material respects the financial position, income and retained earnings and cash flows of GAC at the dates and for the periods to which they relate. After due inquiry, the Company has no reason to believe that the audited consolidated financial statements of MEM and its Subsidiaries, together with the related notes thereto, included in the Final Memorandum do not present fairly in all material respects the results of operations, financial position, changes in stockholders' equity and cash flows of MEM and its Subsidiaries at the dates and for the periods to which they relate. After due inquiry, the Company has no reason to believe that the audited statement of direct revenues and direct expenses of the P&G Brands included in the Final Memorandum does not present fairly in all material respects the direct revenues and direct expenses of the P&G Brands for the period to which it relates. All of the foregoing audited financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the period involved, except as otherwise stated therein or in the notes thereto.

(ii) The unaudited consolidated financial statements of the Company and its Subsidiaries (including the related notes thereto) included in the Final Memorandum present fairly in all material respects the consolidated financial position, results of operations and cash flows of the Company and its Subsidiaries at the dates and for the periods to which they relate, subject to year-end audit adjustments. After due

inquiry, the Company has no reason to believe that the unaudited financial statements of GAC (including the related notes) included in the Final Memorandum do not present fairly in all material respects the financial position, income and retained earnings and cash flows of GAC at the dates and for the periods to which they relate, subject to year-end audit adjustments. After due inquiry, the Company has no reason to believe that the unaudited consolidated financial statements of MEM and its Subsidiaries (including the related notes thereto) included in the Final Memorandum do not present fairly in all material respects the financial position, results of operations and cash flows of MEM and its Subsidiaries at the dates and for the periods to which they relate subject to year-end audit adjustments. After due inquiry, the Company has no reason to believe that the unaudited statement of direct revenues and direct expenses of the P&G Brands included in the Final Memorandum does not present fairly in all materials respects the direct revenues and direct expenses of the P&G Brands for the period to which it relates. All of the foregoing unaudited financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the period involved, except as otherwise stated therein or in the notes thereto, and have been prepared on a basis substantially consistent with that of the respective audited financial statements referred to above, except as otherwise stated therein or in the notes thereto.

(iii) The summary and selected historical financial data in the Final Memorandum have been prepared and compiled on a basis consistent with the respective audited and unaudited financial statements included therein, except as otherwise stated therein or in the notes thereto.

(iv) The pro forma financial statements (including the notes thereto) and the other pro forma financial data included in the Final Memorandum have been prepared using reasonable assumptions and, with respect to the financial statements and related notes appearing under the heading "Unaudited Pro Forma Consolidated Financial Data" in the Final Memorandum, in accordance with the applicable requirements of the Act and, in all cases, include all adjustments necessary to present fairly in all material respects the pro forma financial information included within the Final Memorandum at the respective dates and for the respective periods indicated.

(v) The projected financial data included in the Final Memorandum have been prepared in good faith on the basis of information and assumptions that the Company believed to be fair and reasonable as of the date such data were prepared and which information and assumptions are believed to be fair and reasonable as of the date hereof, and the Company has no reason to believe that there has occurred or there is reasonably likely to occur any event or development which would cause the Company to lower in any material respect the Company's projected, pro forma EBITDA

for the fiscal year ending March 31, 1997, determined as set forth in the Final Memorandum, from the amount set forth therein.

(vi) Deloitte & Touche LLP, Windes & McClaughry, Deutsch, Marin & Company and Ernst & Young LLP, which are reporting upon the audited financial statements included in the Final Memorandum, are independent public auditors as required by the Act.

(c) The Company and each of its Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own its properties and conduct its business as now conducted and as described in the Final Memorandum. The Company and each of its Subsidiaries is duly qualified and in good standing as a foreign corporation and is authorized to do business in each jurisdiction in which the ownership or leasing of any property or the character of its operations makes such qualification necessary, except where the failure to be so qualified or in good standing, singly or in the aggregate, has not had and will not have a Material Adverse Effect.

(d) The Company has the authorized, issued and outstanding capitalization as set forth in the Final Memorandum. All of the issued and outstanding shares of capital stock of the Company and its Subsidiaries were validly issued, all of such capital stock is fully paid and nonassessable, and none of such shares were issued in violation of any preemptive or similar rights. As of the date hereof, the Company has no material Subsidiaries other than the Material Subsidiaries. All of the capital stock of the Material Subsidiaries is owned directly or indirectly by the Company, free and clear of any Liens other than Liens securing the Senior Secured Credit Facility. Except as set forth in the Final

Memorandum, there are no outstanding subscriptions, options, warrants, rights, convertible securities or other binding agreements or commitments of any character obligating the Company or its Subsidiaries to issue any securities. Except as set forth in the Final Memorandum or under the Existing Registration Rights Agreements, no Person other than the Initial Purchaser has any rights to the registration of securities of the Company under the Act or otherwise. Except for the Stockholders Agreement, the Company's Restated Certificate of Incorporation or as set forth in the Final Memorandum, there is no agreement, understanding or arrangement among the Company or its Subsidiaries and their respective stockholders or any other Person relating to the ownership or disposition of any capital stock in the Company or any of its Subsidiaries, the election of directors of the Company or any of its Subsidiaries, or the governance of the Company's or any of its Subsidiaries' affairs, and such agreements, arrangements or understandings will not be breached or violated as a result of the execution and delivery of, or the consummation of the

transactions contemplated by, this Agreement and the other Basic Documents.

(e) This Agreement has been duly and validly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery by the Initial Purchaser) is a valid and legally binding agreement of the Company, enforceable against it in accordance with its terms except (i) that the enforcement hereof may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and to general principles of equity (whether asserted in an action at law or in equity) and the discretion of the court before which any proceeding therefor may be brought and (ii) that any rights to indemnity or contribution hereunder may be limited by federal and state securities laws or the public policy underlying such laws.

(f) The Indenture meets the requirements for qualification under the Trust Indenture Act. The Indenture has been duly and validly authorized by the Company and, when executed and delivered by the Company (assuming the due authorization, execution and delivery by the Trustee), will constitute a valid and legally binding agreement of the Company, enforceable against

it in accordance with its terms except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and (ii) general principles of equity (whether asserted in an action at law or in equity) and the discretion of the court before which any proceeding therefor may be brought.

(g) The Notes, the Exchange Notes and the Private Exchange Notes have each been duly authorized by the Company and, when executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and, in the case of the Notes, delivered to and paid for by the Initial Purchaser in accordance with the terms of this Agreement, or, in the case of the Exchange Notes and the Private Exchange Notes, delivered in accordance with the terms of the Note Registration Rights Agreement, will be entitled to the benefits of the Indenture and will constitute valid and legally binding obligations of the Company, enforceable against it in accordance with their terms except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and (ii) general principles of equity (whether asserted in an action at law or in equity) and the discretion of the court before which any proceeding therefor may be brought.

(h) The Note Registration Rights Agreement has been duly and validly authorized by the Company and, when executed and delivered by the Company (assuming the due authorization, execution and delivery by the Initial Purchaser), will constitute a valid and legally binding agreement of the Company, enforceable against it in accordance with its terms except (i) that the enforcement thereof may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and to general principles of equity (whether asserted in an action at law or in equity) and the discretion of the court before which any proceeding therefor may be brought and (ii) that any rights to indemnity or contribution thereunder may be limited by federal

and state securities laws or the public policy underlying such laws.

(i) The Escrow Agreement has been duly and validly authorized by the Company and, when executed and delivered by the Company (assuming the due authorization, execution and delivery by the Escrow Agent and the Trustee) will (i) be a valid and legally binding agreement of the Company, enforceable against it in accordance with its terms except that the enforcement thereof may be subject to (A) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (B) general principles of equity (whether asserted in an action at law or in equity) and the discretion of the court before which any proceeding therefor may be brought and (ii) create in favor of the Escrow Agent for the benefit of the holders of the Senior Notes a valid and enforceable security interest in the Collateral (to the extent that a security interest may be created under the New York Uniform Commercial Code) and, upon due filing of the financing statements on Form UCC-1 and assuming, with respect to any cash constituting part of the Collateral, that the Escrow Agent maintains sole and exclusive possession, dominion and control thereof in the State of New York at all relevant times in accordance with the Escrow Agreement, a duly perfected first priority (except as may be expressly permitted by the Escrow Agreement) security interest in the Collateral, in each case that secures a portion of the interest due on the Senior Notes and such other amounts as are provided in the Escrow Agreement. The Company will have good and legal title to all Collateral covered by the Escrow Agreement free and clear of all Liens, except as may be expressly permitted under the Escrow Agreement. No agreements, filings or recordings are required to perfect the security interests created under the Escrow Agreement except for such filings or recordings required in connection with the
Escrow Agreement as to which the Company shall cooperate in all respects so that the filing thereof may be made as required.

(j) Immediately after the consummation of the transactions

contemplated by this Agreement (including without limitation the use of proceeds from the sale of the Notes at the Time of Purchase, together with available cash, to fund the Escrow Account, repay the Senior Secured

Credit Facility, finance the Senior Notes Offer and pay certain fees and expenses), the fair value and present fair saleable value of the assets of the Company (on a consolidated basis) will exceed the sum of its stated liabilities and identified contingent liabilities, and the Company (on a consolidated basis) will not be, after giving effect to the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (including without limitation those described above), (i) left with unreasonably small capital with which to carry on its business as it is proposed to be conducted, (ii) unable to pay its debts (contingent or otherwise) as they mature or (iii) otherwise insolvent.

(k) The Company has all requisite corporate power and authority to (i) execute, deliver and perform its obligations under each of the Basic Documents, the Exchange Notes and the Private Exchange Notes, (ii) execute, deliver and perform its obligations under all other agreements and instruments to be executed and delivered by the Company pursuant to or in connection with each of the Basic Documents and (iii) issue the Notes in the manner and for the purpose contemplated by this Agreement. The execution and delivery by the Company of this Agreement and each of the Basic Documents and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by the Company.

(l) Subsequent to the date as of which information is given in the Final Memorandum and immediately prior to the Time of Purchase, there has not been (i) any event or condition that has had or that would reasonably be expected to have a Material Adverse Effect, (ii) other than the consummation of the Senior Notes Offer, any transaction entered into by the Company or any of its Subsidiaries other than in the ordinary course of business, that is material to the Company and its Subsidiaries, taken as a whole, or (iii) any dividend or distribution of any kind declared, paid or made by the Company on its Common Stock.

(m) There is no action, suit, investigation or proceeding, governmental or otherwise, pending or, to the best knowledge of the Company, threatened to which the Company or any of its Subsidiaries is or would be a party or of which the properties or assets of the Company or its Subsidiaries are or may be subject, that (i) seeks to restrain,

enjoin, prevent the consummation of or otherwise challenge the issuance

and sale of the Notes by the Company or any of the other transactions contemplated hereby, (ii) questions the legality or validity of any such transactions or seeks to recover damages or obtain other relief in connection with any such transactions or (iii) except as set forth in the Final Memorandum, could reasonably be expected to have a Material Adverse Effect.

(n) The execution, delivery and performance by the Company of the Basic Documents, the issuance and sale by the Company of the Notes, and the execution, delivery and performance by the Company of all other agreements and instruments to be executed and delivered by the Company pursuant hereto or thereto or in connection herewith, and compliance by the Company with the terms and provisions hereof and thereof, do not and will not (i) violate any provision of any law, rule or regulation (including, without limitation, Regulation G, T, U or X of the Board of Governors of the Federal Reserve System), order, writ, judgment, decree, determination or award presently in effect or in effect at the Time of Purchase having applicability to the Company or any of its Subsidiaries, (ii) conflict with or result in a breach of or constitute a default under the certificate of incorporation or by-laws of the Company or any of its Subsidiaries, or, as of the Time of Purchase, any indenture or loan or credit agreement, or any other agreement or instrument, to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties or assets may be bound or affected, (iii) except as contemplated by the Basic Documents or the New Revolving Credit Facility, result in, or require the creation or imposition of, any Lien upon or with respect to any of the properties or assets now owned or hereafter acquired by the Company or any of its Subsidiaries except, in each case referred to in the preceding clauses (i), (ii) and (iii), where such violation, conflict, default or creation or imposition of any Lien would not (individually or in the aggregate) have a Material Adverse Effect and (iv) require any approval of equity holders or any approval or consent of any Person under any contractual obligation of the Company or its Subsidiaries except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to the Initial Purchaser or such approvals or

consents the failure to obtain which would not singly or in the aggregate have a Material Adverse Effect.

(o) Immediately after giving effect to the consummation of the transactions contemplated by this Agreement, neither the Company nor any of its Subsidiaries (i) will be in violation of its respective certificate of incorporation or by-laws, (ii) will be in default (nor will an event occur which with notice or passage of time or both would constitute such a default) under or in violation of any indenture or loan or credit agreement or any other material agreement or instrument to which it is a

party or by which it or any of its properties or assets may be bound or affected, (iii) will be in violation of any order of any court, arbitrator or governmental body or subject to or party to any order of any court or governmental authority arising out of any action, suit or proceeding under any statute or other law respecting antitrust, monopoly, restraint of trade, unfair competition or similar matters or (iv) will have violated or be in violation of any statute, rule or regulation of any governmental authority, except in each case, which default or violation (individually or in the aggregate) could not reasonably be expected to (y) affect the legality, validity or enforceability of any of the Basic Documents or (z) have a Material Adverse Effect.

(p) Assuming the accuracy of the Initial Purchaser's representations and warranties set forth in Section 3.2 hereof and the representations and warranties of each subsequent transferee including, without limitation, the representation that it is a QIB or an Accredited Investor (as set forth in a certificate required to be delivered pursuant to the Indenture by each such subsequent transferee) and the due performance by the Initial Purchaser of the covenants and agreements set forth in Section 3.2 hereof, no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange is required in connection with the execution, delivery or performance by the Company of any of the Basic Documents, except (i) as may be required under state securities or "Blue Sky" laws or the laws of any foreign jurisdiction in connection with the offer and sale of the Notes or (ii) as would not (individually or in the aggregate) have a Material Adverse Effect. All such authorizations, consents, approvals,

licenses, qualifications, exemptions, filings, declarations and registrations which are required to have been obtained or made by the date hereof have been obtained or made, as the case may be, and are in full force and effect and not the subject of any pending or, to the knowledge of the Company, threatened attack by appeal or direct proceeding or otherwise.

(q) The Company and its Subsidiaries are not, and immediately after the Time of Purchase will not be, "investment companies" or companies "controlled" by "investment companies" within the meaning of the Investment Company Act of 1940, as amended.

(r) The execution and delivery of the Basic Documents and the sale of the Notes pursuant to this Agreement will not involve any non-exempt prohibited transaction within the meaning of Section 406 of the ERISA, or Section 4975 of the Code on the part of the Company or any of its Subsidiaries. The preceding representation is made in reliance upon, and subject to the continuing accuracy of, the representation made in Section

3.2(b) as to the Initial Purchaser. Except as disclosed in the Memorandum, the Company does not and, at and as of the Time of Purchase, the Company does not reasonably expect to have any liability for any prohibited transaction or funding deficiency, any complete or partial withdrawal liability or any termination liability with respect to any pension, profit sharing or other plan which is subject to ERISA and which is required to be funded, to which the Company or any of its ERISA Affiliates makes or ever has made a contribution and in which any employee of the Company or any of its ERISA Affiliates is or has ever been a participant. With respect to such plans, except as disclosed in the Memorandum, the Company and each of its ERISA Affiliates is and, at and as of the Time of Purchase, the Company and each of its ERISA Affiliates will be in compliance in all material respects with all applicable provisions of ERISA and the Code. Except as disclosed in the Memorandum, there are no material unfunded liabilities in respect at any pension plan maintained or contributed to by the Company or any of its ERISA Affiliates. The representations in this paragraph (r) shall apply to any multiemployer plan (within the meaning of Section 3(37) of ERISA) only to the best knowledge of the Company.

(s) The Company and each of its Subsidiaries have good and valid title to, or valid and enforceable leasehold interests in, all properties and assets identified in the Final Memorandum as owned or leased, respectively, by each of them which are material to the business of the Company and its Subsidiaries, taken as a whole, free and clear of all Liens, except (i) such Liens as are described in the Final Memorandum, or (ii) Liens created in the ordinary course of business which are expressly permitted under the Indenture and, as to the Collateral, under the Escrow Agreement. All of the leases material to the business of the Company or any of its Subsidiaries, and under which the Company or any of its Subsidiaries, as the case may be, holds properties described in the Final Memorandum, are valid and binding as leased by them, with such exceptions as are not material and do not interfere with the use made and proposed to be made of such properties by the Company or its Subsidiaries.

(t) None of the Company, any of its Subsidiaries or any Person authorized to act for any of them has, either directly or indirectly, sold or offered for sale any of the Notes or any other similar security of the Company to, or solicited any offers to buy any thereof from, or has otherwise approached or negotiated in respect thereof with, any Person or Persons other than with or through the Initial Purchaser.

(u) All tax returns required to be filed by the Company or any of its Subsidiaries in any jurisdiction (including foreign jurisdictions) have been duly filed and all taxes, assessments, fees and other charges including, without limitation, withholding taxes, penalties, and interest ("Taxes") due or claimed to be due have been paid, other than those Taxes

being contested in good faith and for which adequate reserves or accruals have been established in accordance with generally accepted accounting principles, except where the failure to file such returns or to pay such Taxes is not reasonably likely to have, singly or in the aggregate, a Material Adverse Effect. The Company knows of no actual or proposed additional tax assessments for any fiscal period against the Company or its Subsidiaries that, individually or in the aggregate, would have a Material Adverse Effect.

(v) The Company and its Subsidiaries are the owners or licensees of all trade names, unregistered trademarks and service marks, brand names,

patents, registered and unregistered copyrights, registered trademarks and service marks, and all applications for any of the foregoing, and all permits, grants and licenses or other rights with respect thereto, the absence of which would have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has been charged with any material infringement of any intangible property of the character described above or been notified or advised of any material claim of any other Person relating to any of the intangible property, which infringements or claims (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect.

(w) Each of the Basic Documents conforms in all material respects to the description thereof (to the extent described therein) in the Final Memorandum.

(x) Assuming the accuracy of the Initial Purchaser's representations and warranties set forth in Section 3.2 hereof and the representations and warranties of each subsequent transferee including, without limitation, the representation that it is a QIB or an Accredited Investor (as set forth in a certificate required to be delivered pursuant to the Indenture by each such subsequent transferee) and the due performance by the Initial Purchaser of the covenants and agreements set forth in Section 3.2 hereof, the offer and sale of the Notes to the Initial Purchaser in the manner contemplated by this Agreement and the Final Memorandum does not require registration under the Act, and the Indenture does not require qualification under the Trust Indenture Act.

(y) Except as set forth in the Final Memorandum, the Company and its Subsidiaries comply in all material respects with all laws, rules and regulations applicable to the Company and each such Subsidiary, and the Company and its Subsidiaries own or possess and are operating in compliance in all material respects with the terms, provisions, conditions, restrictions and limitations contained in all licenses, franchises, approvals, certificates and permits from all Federal, state, territorial, foreign and local governmental and regulatory authorities

which are necessary to own or lease their respective properties and assets and to the conduct of their respective businesses (other than such laws, rules, regulations, licenses, franchises, approvals, certificates or permits that are immaterial in scope or application to the Company and its Subsidiaries, taken as a whole), including, without limitation, licenses, franchises and approvals from the United States Food and Drug

Administration and the United States Federal Trade Commission, except where the failure to comply with any of the foregoing would not have a Material Adverse Effect. Except as otherwise set forth in the Memorandum, there are no citations or notices of forfeiture or other proceedings pending or, to the best knowledge of the Company, threatened or any basis therefor, which would lead to the revocation, termination, suspension or non-renewal of any such license, franchise, approval, certificate or permit the result of which could reasonably be expected to have a Material Adverse Effect. Except as otherwise set forth in the Final Memorandum, there are no restrictions or limitations contained in any applicable license, franchise, approval, certificate or permit, or, to the best knowledge of the Company, threatened or proposed in any pending or contemplated hearing, proceeding or procedure, that could reasonably be expected to have a Material Adverse Effect.

(z) There is no strike, labor dispute, slowdown or work stoppage with the employees of the Company or any of its Subsidiaries which is pending or, to the best knowledge of the Company, threatened, which could, singly or in the aggregate, have a Material Adverse Effect.

(aa) The Company and each of its Subsidiaries carries insurance (including self insurance) in such amounts and covering such risks as in its reasonable determination is adequate for the conduct of its business and the value of its properties.

(bb) No securities of the Company or any of its Subsidiaries are of the same class (within the meaning of Rule 144A under the Act) as the Notes and listed on a national securities exchange registered under Section 6 of the Exchange Act, or quoted in a U.S. automated inter-dealer quotation system.

(cc) None of the Company or its Subsidiaries has taken, nor will any of them take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Notes.

(dd) None of the Company, its Subsidiaries, any of their respective

Affiliates or any person acting on its or their behalf (other than the Initial Purchaser and its Affiliates) has engaged in any directed selling efforts (as that term is defined in Regulation S under the Act) with respect to the Notes and the Company, its Subsidiaries and their respective Affiliates and any person acting on its or their behalf (other than the Initial Purchaser and its Affiliates) have acted in accordance with the offering restrictions requirement of Regulation S under the Act.

(ee) Neither the Company nor any of its affiliates (as defined in Rule 501(b) under the Act) has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any "security" (as defined in the Act) which is or will be integrated with the sale of the Notes in a manner that would require the registration under the Act of the Notes or (ii) engaged in any form of general solicitation or general advertising in connection with the offering of the Notes (as those terms are used in Regulation D under the Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Act.

(ff) The statistical and market-related data included in the Final Memorandum are based on or derived from sources which the Company believes to be reliable and accurate.

(gg) No forward looking statement within the meaning of Section 27A of the Act and Section 21E of the Exchange Act contained in the Final Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

Section 3.2. Representations and Warranties of the Initial Purchaser. (a) The Initial Purchaser represents and warrants to the Company that: (1) the Notes sold to the Initial Purchaser to be acquired by it hereunder are being acquired for its own account or an account with respect to which it exercises sole investment discretion and it or any such account is a "qualified institutional buyer" as defined in Rule 144A of the Act ("QIB") and has no intention of distributing or reselling such Notes or any part thereof in any transaction which would be in violation of the securities laws of the United States of America or any state; (2) it has not solicited offers for, or offered

or sold, and will not solicit offers for, or offer or sell, the Notes by means of any form of general solicitation or general advertising or in any manner involving a public offering within the meaning of Section 4(2) of the Act, or with respect to any such securities sold in reliance on Regulation S of the Act, by means of any directed selling efforts within the meaning of Rule 903 under the Act and the Commission's Release No. 33-6863; (3) it acknowledges that the Notes have not been or will not be registered under the Act and that none of the Notes may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below; (4) it shall not resell

or otherwise transfer any of such Securities except (A) to the Company or any of its Subsidiaries, (B) inside the United States to a QIB in compliance with Rule 144A or, if any such Person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such Person has represented to the Initial Purchaser that each such account is a QIB, to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A, and, in each case, in transactions under Rule 144A, (C) inside the United States to a limited number of other institutional investors reasonably believed by the Initial Purchaser to be "Accredited Investors" (as defined in Rule 501(a)(1), (2), (3) or (7) of the Act) each of which, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to the Initial Purchaser and the Company a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes set forth in Appendix A to the Final Memorandum in private sales exempt from registration under the Act, (D) outside the Unites States in compliance with Rule 904 under the Act, (E) pursuant to any other exemption from registration provided under the Act (if available) including Rule 144 thereunder or (F) pursuant to an effective registration statement under the Act; and (5) it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes and subject to the Company's right prior to any such offer, sale or transfer pursuant to clause (E) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to it; and subject, nevertheless, to the disposition of the Initial Purchaser's property being at all times within its control and provided that with respect to clause (C) and (D) above, each such transfer is effected by delivery to such purchaser of securities in definitive form and registered in its name (or its nominee's name) on the books maintained by the registrar of the

Notes. The Initial Purchaser agrees to deliver at the Time of Purchase a letter to the Company confirming its compliance with the foregoing requirements.

(b) The Initial Purchaser represents that it is not an insurance company and that no part of the funds to be used to purchase the Notes constitutes assets of any employee benefit plan ("plan assets"). As used in this Section 3.2(b), the term "employee benefit plan" shall have the meaning assigned to such term in Section 3 of ERISA and whether assets are "plan assets" shall be determined in accordance with ERISA.

(c) The Initial Purchaser also represents and warrants to the Company that (i) it has received and reviewed the Final Memorandum; (ii) it has delivered the Final Memorandum to each Person acquiring the Notes from it prior to the time of such Person's purchase; (iii) it has authorized the purchase of the Notes; and (iv) the purchase of Notes does not violate its charter, by-laws, other organizational documents of any law or regulation to which it is subject.

(d) This Agreement has been duly authorized by the Initial Purchaser and, when executed and delivered by the Initial Purchaser (assuming the due

authorization, execution and delivery by the Company), will constitute a valid and legally binding agreement of the Initial Purchaser, enforceable against it in accordance with its terms, except (i) that the enforcement hereof may be subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and general principles of equity and the discretion of the court before which any proceedings therefor may be brought and (ii) as any rights to indemnity or contribution may be limited by federal or state securities laws or the public policy underlying such laws.

ARTICLE IV

CONDITIONS PRECEDENT TO CLOSING

Section 4.1. Conditions Precedent to Obligations of the Initial Purchaser. The obligation of the Initial Purchaser to purchase the Notes to be purchased by it hereunder is subject to the satisfaction of the following conditions:

(a) The Initial Purchaser shall have received opinions, addressed to the Initial Purchaser in form and substance satisfactory to counsel to the Initial Purchaser and dated the Closing Date, from (i) John R. Jackson,

Esq., general counsel of the Company, substantially in the form of Exhibit 1 hereto; (ii) Paul, Weiss, Rifkind, Wharton & Garrison, special counsel to the Company, substantially in the form of Exhibit 2 hereto; (iii) Cowan, Liebowitz & Latman, P.C., special trademark counsel to the Company, substantially in the form of Exhibit 3 hereto; (iv) Lyon & Lyon, substantially in the form of Exhibit 4 hereto; and (v) Debevoise & Plimpton, special counsel to Kidd, Kamm Equity Partners, L.P., substantially in the form of Exhibit 5 hereto.

(b) The Initial Purchaser shall have received an opinion, addressed to the Initial Purchaser in form and substance satisfactory to the Initial Purchaser and dated the Closing Date, of Cahill Gordon & Reindel, counsel to the Initial Purchaser, substantially in the form of Exhibit 6 hereto.

In rendering such opinions in accordance with Sections 4.1(a) and (b), each such counsel may rely as to factual matters upon certificates or other documents furnished by
officers and directors of the Company and the Material Subsidiaries and representations of the Initial Purchaser and by government officials, and upon such other documents as such counsel deem appropriate as a basis for their opinion. Each such counsel may specify the jurisdictions in which it is admitted to practice and that it is not admitted to practice in any other jurisdiction or an expert in the law of any other jurisdiction.

(c) The Initial Purchaser shall have received from Deloitte & Touche LLP, Windes & McClaughry, Deutsch, Marin & Company and Ernst & Young LLP comfort letters dated the date hereof and the Closing Date in form and substance satisfactory to counsel to the Initial Purchaser.

(d) The representations and warranties made by the Company herein shall be true and correct in all material respects (except for changes expressly provided for in this Agreement, including the pay-off of the Senior Secured Credit Facility and the consummation of the Senior Notes Offer) on the Closing Date and as of the Time of Purchase with the same effect as though such representations and warranties had been made on the Closing Date and as of the Time of Purchase, and the Company shall have complied in all material respects with all agreements as set forth in or

contemplated hereunder required to be performed by it at or prior to the Time of Purchase.

(e) Subsequent to the date of the Final Memorandum, (i) there shall not have been any change, or any development involving a prospective change, which has had or may have a Material Adverse Effect, and (ii) the Company and its Subsidiaries shall have conducted their respective businesses only in the ordinary course (other than the consummation of the Senior Notes Offer).

(f) At the Time of Purchase and after giving effect to the consummation of the transaction contemplated by this Agreement and the other Basic Documents, there shall exist no Default or Event of Default.

(g) The purchase of and payment for the Notes by the Initial Purchaser hereunder (i) shall not be prohibited or enjoined (temporarily or permanently) by any applicable law or governmental regulation (including, without limitation, Regulation G, T, U or X of the Board of Governors of the Federal Reserve System), (ii) shall not subject the Initial Purchaser to any penalty or, in its reasonable judgment, other onerous condition under or pursuant to any applicable law or governmental regulation (provided, however, that such regulation, law or onerous condition was not in effect at the date of this Agreement), and (iii) shall be permitted by the laws and regulations of the jurisdictions to which it is subject.

(h) At the Time of Purchase, the Initial Purchaser shall have received a certificate, dated the Closing Date, from the Company stating that the conditions specified in Sections 4.1(d), (e), (f) and (k) have been satisfied or duly waived at the Time of Purchase.

(i) Each of the Basic Documents shall be substantially in the form

provided to the Initial Purchaser on the date hereof and shall have been executed and delivered by all the respective parties thereto and shall be in full force and effect.

(j) All proceedings taken in connection with the issuance of the Notes, this Agreement, the other Basic Documents and all documents and papers relating thereto shall be reasonably satisfactory to the Initial Purchaser and counsel to the Initial Purchaser.

(k) Subsequent to the date of the Final Memorandum (exclusive of any amendment or supplement thereto after the date hereof), none of the Company or its Subsidiaries shall have sustained any loss or interference with respect to its business or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute, slow down or work stoppage or from any legal or governmental proceeding, order or decree, which loss or interference, individually or in the aggregate, has or would be reasonably likely to have a Material Adverse Effect.

(l) There shall not have been any announcement by any "nationally recognized statistical rating organization," as defined for purposes of Rule 436(g) under the Act, that (A) it is downgrading its rating assigned to any debt securities of the Company, or (B) it is reviewing its rating assigned to any debt securities of the Company with a view to possible downgrading, or with negative implications, or direction not determined.

(m) The existing holders of Liens (other than Liens expressly permitted by the Escrow Agreement) on the Collateral shall have agreed in writing to release their Liens. The Company shall have obtained any other consents required to permit the Company to secure the Notes with a valid, effective first priority security interest in the Collateral.

(n) The consummation of the Senior Notes Offer and the repayment of the Senior Secured Credit Facility shall have occurred prior to or contemporaneously with the Time of Purchase.

(o) All costs due and owing and other reasonable expenses (including, without limitation, reasonable legal fees and expenses of counsel to the Initial Purchaser, Cahill Gordon & Reindel) required to be paid to or on behalf of the Initial Purchaser on or prior to the Time of Purchase pursuant to this Agreement shall have been so paid.

On or before the Closing, the Initial Purchaser and counsel to the Initial Purchaser shall have received such further documents, opinions, certificates and schedules or other instruments relating to the business,

corporate, legal and financial affairs of the Company and its Subsidiaries as they may reasonably request.

Section 4.2. Conditions Precedent to Obligations of the Company. The obligations of the Company to issue and sell the Notes pursuant to this Agreement are subject, at the Time of Purchase, to the satisfaction of the following conditions:

(a) The representations and warranties made by the Initial Purchaser herein shall be true and correct in all material respects at and as of the Time of Purchase with the same effect as though such representations and warranties had been made at and as of the Time of Purchase.

(b) The issuance and sale of the Notes by the Company hereunder (i) shall not be enjoined under the laws of any jurisdiction to which the Company is subject (temporarily or permanently) at the Time of Purchase, (ii) shall not subject the Company to any penalty or, in its reasonable judgment, other onerous condition under or pursuant to any applicable law or governmental regulation (provided, however, that such regulation, law or onerous condition was not in effect at the date of this Agreement), and (iii) shall be permitted by the laws and regulations of the jurisdictions to which it is subject.

(c) Each of the Basic Documents shall be satisfactory in form and substance to the Company and shall have been executed and delivered by all respective parties thereto and shall be in full force and effect and counsel to the Company shall have received a copy of each of such document duly executed by such parties.

(d) The Minimum Tender Condition and the Consent Condition (each as defined in the Offer to Purchase and Consent Solicitation Statement furnished in connection with the Senior Notes Offer) shall have been satisfied.

ARTICLE V

COVENANTS

Section 5.1. Covenants of the Company. The Company covenants and agrees with the Initial Purchaser that:

(a) The Company will not amend or supplement the Memorandum or any amendment or supplement thereto of which the Initial Purchaser shall not

previously have been advised and furnished a copy for a reasonable period of time prior to the proposed amendment or supplement and as to which the Initial Purchaser shall not have given its consent, which consent shall not be unreasonably withheld. The Company will promptly, upon the reasonable request of the Initial Purchaser or counsel to the Initial Purchaser, make any amendments or supplements to the Offering Memorandum that may be necessary or advisable in the opinion of the Initial Purchaser or counsel to the Initial Purchaser in connection with the resale of the Notes by the Initial Purchaser.

(b) The Company will cooperate with the Initial Purchaser in arranging for the qualification, to the extent necessary under applicable law, of the Notes for offering and sale under the securities or "Blue Sky" laws of such jurisdictions as the Initial Purchaser may designate and will continue such qualifications in effect for as long as may be reasonably necessary to complete the resale of the Notes; provided, however, that in connection therewith, the Company shall not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction or subject itself to taxation in excess of a nominal dollar amount in any such jurisdiction where it is not then so subject.

(c) If, at any time prior to the completion of the distribution by the Initial Purchaser of the Notes, the Exchange Notes or the Private Exchange Notes, any event occurs or information becomes known as a result of which the Memorandum as then amended or supplemented would include any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if for any other reason it is necessary at any time to amend or supplement the Memorandum to comply with applicable law, the Company will promptly notify the Initial Purchaser thereof and will prepare, at the expense of the Company, an amendment or supplement to the Memorandum that corrects such statement or omission or effects such compliance; provided, however, that the Company's obligation hereunder shall not be applicable to the extent resale by the Initial Purchaser may be accomplished pursuant to a Registration Statement (as defined in the Note Registration Rights Agreement). Notwithstanding any provision of paragraph (a) or (c) of this Section 5.1, however, the Company's obligation under paragraphs (a) and (c) of this Section 5.1 shall terminate on the earliest to occur of (i) 180 days after the date of the Final Memorandum (exclusive of any days during which use of the Memorandum is suspended as set forth below) and (ii) the date upon which you and your affiliates first cease to hold Notes acquired as part of the initial distribution thereof; provided, however, that the Company shall, if requested by the Initial Purchaser, amend or supplement the Memorandum as provided in the second sentence of Section 5.1(a) after such 180-day period (but in no event beyond the date on which an exchange offer is consummated pursuant to the Note Registration Rights Agreement) so long as the Initial Purchaser shall have agreed to reimburse the Company for its reasonable expenses in connection therewith. In addition, after 30 days from the date hereof, the Company shall not be required to amend or

supplement the Memorandum pursuant to paragraph (a) or (c) of this Section

5.1 in the event that, and for so long as (A) an event occurs and is continuing as a result of which the Memorandum as then amended or supplemented would, in the Company's good faith judgment, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances under when they are made, and (B) the Company determines in its good faith judgment that the disclosure of such event at such time would materially adversely affect the interests of the Company. The Company agrees to notify you to suspend use of the Memorandum as promptly as practicable after the occurrence of such an event, and you hereby agree to suspend use of the Memorandum until the Company has amended or supplemented the Memorandum to correct such misstatement or omission. At such time as such public disclosure is otherwise made or the Company determines in its good faith judgment that the disclosure in the Memorandum of an event described above would no longer materially adversely affect the Company or that such disclosure is not necessary, the Company agrees promptly to notify you of such determination, to amend or supplement the Memorandum if necessary to correct any untrue statement or omission therein and to furnish you such numbers of copies of the Memorandum, as so amended or supplemented, as you may reasonably request.

(d) The Company will provide, without charge, to the Initial Purchaser and to counsel to the Initial Purchaser as many copies of the

Final Memorandum or any amendment or supplement thereto as the Initial Purchaser may reasonably request.

(e) The Company will apply the net proceeds from the sale of the Notes as set forth under "Use of Proceeds" in the Final Memorandum.

(f) For and during the period ending on the date no Notes are outstanding, the Company will furnish to the Initial Purchaser copies of all reports and other communications (financial or otherwise) furnished by the Company to the Trustee or the holders of the Notes and, promptly after available, copies of any reports or financial statements furnished to or filed by the Company with the Commission or any national securities exchange on which any class of securities of the Company may be listed.

(g) Prior to the Time of Purchase, the Company will furnish to the Initial Purchaser, as soon as they have been prepared, a copy of any unaudited quarterly financial statements of the Company for any period subsequent to the period covered by the most recent financial statements

appearing in the Final Memorandum.

(h) None of the Company or any of its Affiliates will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any "security" (as defined in the Act) which could be integrated with the sale of the Notes in a manner which would require the registration under the Act of the Notes.

(i) The Company will not, and will not permit any of its Subsidiaries to, solicit any offer to buy or offer to sell the Notes by means of any form of general solicitation or general advertising (as those terms are used in Regulation D under the Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Act.

(j) For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Act and not saleable in full under Rule 144 under the Act (or any successor provision), the Company will make available, upon request, to any seller of such Notes the information specified in Rule 144A(d)(4) under the Act,

unless the Company is then subject to Section 13 or 15(d) of the Exchange Act.

(k) The Company will use its reasonable best efforts to (i) permit the Notes to be included for quotation on PORTAL and (ii) permit the Notes to be eligible for clearance and settlement through DTC.

(l) The Company will use its reasonable best efforts to do and perform all things required to be done and performed by it under this Agreement and the other Basic Documents prior to or after the Closing and to satisfy all conditions precedent on its part to the obligation of the Initial Purchaser to purchase and accept delivery of the Notes.

ARTICLE VI

FEES

Section 6.1. Costs, Expenses and Taxes. The Company agrees to pay all costs and expenses incident to the performance of its obligations under this Agreement, whether or not the transactions contemplated herein are consummated or this Agreement is terminated pursuant to Section 8.2 hereof, including, but not limited to, all costs and expenses incident to (i) its negotiation, preparation, printing, typing, reproduction, execution and delivery of this Agreement and each of the other Basic Documents, any amendment or supplement to or modification of any of the foregoing and any and all other documents furnished pursuant hereto or thereto or in connection herewith or therewith, (ii) any costs of printing the Memorandum and any amendment or supplement

thereto, any other marketing related materials and any "Blue Sky" memoranda (which shall include the reasonable disbursements of counsel to the Initial Purchaser in respect thereof), (iii) all arrangements relating to the delivery to the Initial Purchaser of copies of the foregoing documents, (iv) the fees and disbursements of the counsel, the accountants and any other experts or advisors retained by the Company, (v) preparation (including printing), issuance and delivery to the Initial Purchaser of the Notes, (vi) the qualification of the Notes under state securities and "Blue Sky" laws, including filing fees and reasonable fees and disbursements of counsel to the Initial Purchaser relating thereto, (vii) all expenses in connection with any meetings with prospective investors in the Notes, (viii) fees and expenses of the Trustee including fees and expenses of counsel to the Trustee, (ix) all expenses and listing fees

incurred in connection with the application for quotation of the Notes on PORTAL, (x) any fees charged by investment rating agencies for the rating of the Notes and (xi) except as limited by Article VII, all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), if any, in connection with the enforcement of this Agreement, the Notes or any other agreement furnished pursuant hereto or thereto or in connection herewith or therewith. In addition, the Company shall pay any and all stamp, transfer and other similar taxes (but excluding any income, franchise, personal property, ad valorem or gross receipts taxes) payable or determined to be payable in connection with the execution and delivery of this Agreement, any of the other Basic Documents or the issuance of the Notes, and shall save and hold the Initial Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such taxes (other than if such delay is caused by the Initial Purchaser).

ARTICLE VII

INDEMNITY

Section 7.1. Indemnity.

(a) Indemnification by the Company. The Company agrees and covenants to hold harmless and indemnify the Initial Purchaser and any Affiliates thereof (including any director, officer, employee, agent or controlling Person of any of the foregoing) from and against any losses, claims, damages, liabilities and expenses (including reasonable expenses of investigation) to which the Initial Purchaser and its Affiliates may become subject (i) arising out of or based upon any untrue statement or alleged untrue statement of any material fact contained in the Memorandum (as updated and amended and delivered to the Initial Purchaser) and any amendments or supplements thereto, the Basic Documents, any documents filed with the Commission or any State Commission (collectively, the "Offering Materials") or arising out of or based upon the omission or alleged omission to state in any of the Offering Materials a material fact required to be stated therein or necessary to make the statements therein, in the light of

the circumstances under which they were made, not misleading or (ii) arising out of, based upon or in any way related or attributed to claims, actions or proceedings relating to this Agreement or the subject matter of this Agreement and resulting from any breach of any representation, warranty, covenant or

agreement of the Company or any of the Material Subsidiaries contained in this Agreement or (iii) arising in any manner out of or in connection with such Person being the Initial Purchaser of the Securities and relating directly to any action taken or omitted to be taken by the Company or any of the Material Subsidiaries in violation of this Agreement; provided, however, that the Company shall not be liable under this paragraph (a) to the extent that such losses, claims, damages or liabilities arose out of or are based upon an untrue statement or omission made in any of the documents referred to in this paragraph (a) in reliance upon and in conformity with the information relating to the Initial Purchaser furnished in writing by the Initial Purchaser for inclusion therein (or for a breach by the Initial Purchaser of any representation, covenant, agreement or warranty contained in this Agreement); provided, further, that the Company shall not be liable under this paragraph (a) to the extent that such losses, claims, damages or liabilities arose out of or are based upon an untrue statement or omission made in the Memorandum that is corrected in any amendment or supplement thereto if the person asserting such loss, claim, damage or liability purchased Notes from the Initial Purchaser in reliance on the Memorandum but was not given any amendment or supplement thereto on or prior to the confirmation of the sale of such Notes. In addition, the Company shall not be liable (i) for any amounts paid in settlement of claims without its written consent, which consent shall not be unreasonably withheld, or (ii) for any losses, damages, claims or liabilities to the extent it is finally judicially determined that such losses, claims, damages or liabilities arose directly (x) out of untrue statements or omissions made in the Memorandum in reliance upon and in conformity with the information relating to the Initial Purchaser furnished in writing by the Initial Purchaser (or for a breach by the Initial Purchaser of any representation or warranty contained in this Agreement) or (y) out of the gross negligence, willful misconduct or bad faith of the Initial Purchaser or such indemnified person. The Company further agrees to reimburse the Initial Purchaser for any reasonable legal and other expenses as they are incurred by it in connection with investigating, preparing to defend or defending any lawsuits, claims or other proceedings or investigations arising in any manner out of or in connection with its being the Initial Purchaser; provided, that if the Company reimburses the Initial Purchaser hereunder for any expenses incurred in connection with a lawsuit, claim or other proceeding for which indemnification is sought, the Initial Purchaser hereby agrees to refund such reimbursement of expenses to the extent that the Initial Purchaser is not

entitled to indemnification pursuant to this paragraph (a) for such losses,

claims, damages or liabilities. The Company further agrees that the indemnification, contribution and reimbursement commitments set forth in this Article VII shall apply whether or not the Initial Purchaser is a formal party to any such lawsuits, claims or other proceedings. The indemnity, contribution and expense reimbursement obligations of the Company under this Article VII shall be in addition to any liability the Company may otherwise have.

(b) Indemnification by the Initial Purchaser. The Initial Purchaser agrees and covenants to hold harmless and indemnify the Company and any Affiliates thereof (including any director, officer, employee, agent or controlling Person of any of the foregoing) from and against any losses, claims, damages, liabilities and expenses insofar as such losses, claims, damages, liabilities or expenses arise out of or are based upon any untrue statement of any material fact contained in the Offering Materials, or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission was made in reliance upon and in conformity with the information relating to the Initial Purchaser and the proposed offering of the Notes furnished in writing by the Initial Purchaser for inclusion therein. The indemnity, contribution and expense reimbursement obligations of the Initial Purchaser under this Article VII shall be in addition to any liability the Initial Purchaser may otherwise have.

(c) Procedure. If any Person shall be entitled to indemnity hereunder (each an "Indemnified Party"), such Indemnified Party shall give prompt written notice to the party or parties from which such indemnity is sought (each an "Indemnifying Party") of the commencement of any action, suit, investigation or proceeding, governmental or otherwise (a "Proceeding"), with respect to which such Indemnified Party seeks indemnification or contribution pursuant hereto; provided, however, that the failure so to notify the Indemnifying Parties shall not relieve the Indemnifying Parties from any obligation or liability except to the extent that the Indemnifying Parties have been prejudiced materially by such failure. The Indemnifying Parties shall have the right, exercisable by giving written notice to an Indemnified Party promptly after the receipt of written notice from such Indemnified Party of such Proceeding, to assume, at the Indemnifying Parties' expense, the defense of any such Proceeding, with counsel reasonably satisfactory to such Indemnified Party;

provided, however, that an Indemnified Party or parties (if more than one such Indemnified Party is named in any Proceeding) shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless: (1) the Indemnifying Parties agree to pay such fees and expenses; or (2) the Indemnifying Parties fail promptly to assume the defense of such Proceeding or fail to employ counsel reasonably satisfactory to such Indemnified Party or parties; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such

Indemnified Party or parties and the Indemnifying Party or an Affiliate of the Indemnifying Party and such Indemnified Parties, and the Indemnified Parties shall have been advised in writing by counsel that there may be one or more material defenses available to such Indemnified Party or parties that are different from or additional to those available to the Indemnifying Parties, in which case, if such Indemnified Party or parties notifies the Indemnifying Parties in writing that it elects to employ separate counsel at the expense of the Indemnifying Parties, the Indemnifying Parties shall not have the right to assume the defense thereof with respect to the Indemnified Parties and such counsel shall be at the expense of the Indemnifying Parties, it being understood, however, that the Indemnifying Parties shall not, in connection with any one such Proceeding or separate but substantially similar or related Proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (together with appropriate local counsel) at any time for such Indemnified Party or parties, or for fees and expenses that are not reasonable. No Indemnified Party or Parties will settle any Proceeding without the consent of the Indemnifying Party or parties (but such consent shall not be unreasonably withheld). No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened Proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability or claims that are the subject of such Proceeding.

Section 7.2. Contribution. If for any reason the indemnification provided for in Section 7.1 of this Agreement is unavailable to an Indemnified Party, or insufficient to hold it harmless, in respect of any losses, claims,

damages, liabilities or expenses referred to therein, then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party on the one hand and the Indemnified Party on the other, but also the relative fault of the Indemnifying and Indemnified Parties in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Indemnifying and Indemnified Parties shall be deemed to be in the same proportion as the total proceeds from the offering of the Notes (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Initial Purchaser. The relative fault of the Indemnifying and Indemnified Parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying or

Indemnified Parties and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses incurred by such party in connection with investigating or defending any such claim.

The Company and the Initial Purchaser agree that it would not be just and equitable if contribution pursuant to the immediately preceding paragraph were determined pro rata or per capita or by any other method of allocation which does not take into account the equitable considerations referred to in such paragraph. Notwithstanding any other provision of this Section 7.2, the Initial Purchaser shall not be obligated to make contributions hereunder that in the aggregate exceed the total discounts, commissions and other compensation received by the Initial Purchaser under this Agreement, less the aggregate amount of any damages that the Initial Purchaser has otherwise been required to pay by reason of the untrue or alleged untrue statements or a breach of a representation or warranty or the omissions or alleged omissions to state a material fact. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 7.3. Note Registration Rights Agreement. Notwithstanding anything to the contrary in this Article VII, the indemnification and contribution provisions of the Note Registration Rights Agreement shall govern any claim with respect thereto.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Survival of Provisions. The representations, warranties and covenants of the Company, its officers and the Initial Purchaser made herein, the indemnity and contribution agreements contained herein and each of the provisions of Articles V, VII and VIII shall remain operative and in full force and effect regardless of (a) the investigation made by or on behalf of the Company, the Initial Purchaser or any Indemnified Party, (b) acceptance of any of the Notes and payment therefor, (c) any termination of this Agreement or (d) disposition of the Notes by the Initial Purchaser whether by redemption, exchange, sale or otherwise.

Section 8.2. Termination. This Agreement may be terminated in the sole discretion of the Initial Purchaser, by notice to the Company given prior to the Time of Purchase in the event that the Company shall have failed, refused or been unable to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder at or prior thereto or, if at or prior to the Closing:

(a) the Company or any of its Subsidiaries shall have sustained any loss or interference with respect to its businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute, slow down or work stoppage or any legal or governmental proceeding, which loss or interference, in the sole judgment of the Initial Purchaser, has had or has a Material Adverse Effect, or there shall have been, in the sole judgment of the Initial Purchaser, any event or development that, individually or in the aggregate, has or could be reasonably likely to have a Material Adverse Effect (including without limitation a change in control of the Company or any of its Subsidiaries), except in each case as described in the Final Memorandum (exclusive of any amendment or supplement thereto);

(b) trading in securities of the Company or in securities generally on the New York Stock Exchange, American Stock Exchange or the Nasdaq National Market shall have been suspended or minimum or maximum prices shall have been established on any such exchange or market;

(c) a banking moratorium shall have been declared by New York or United States authorities;

(d) there shall have been (A) an outbreak or escalation of hostilities between the United States and any foreign power, or (B) an outbreak or escalation of any other insurrection or armed conflict involving the United States or any other national or international calamity or emergency, or (C) any material change in the financial markets of the United States which, in the case of (A), (B) or (C) above in the sole judgment of the Initial Purchaser, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Notes as contemplated by the Final Memorandum; or

(e) any securities of the Company shall have been downgraded or placed on any "watch list" for possible downgrading by any nationally recognized statistical rating organization.

Termination of this Agreement pursuant to this Section 8.2 shall be without liability of any party to any other party except as provided in Section 8.1 hereof.

Section 8.3. No Waiver; Modifications in Writing. No failure or delay on the part of the Company or the Initial Purchaser in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of

any remedies that may be available to the Company or the Initial Purchaser at law or in equity or otherwise. No waiver of or consent to any departure by the Company or the Initial Purchaser from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided, that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of each of the Company and the Initial

Purchaser. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by the Company or the Initial Purchaser from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

Section 8.4. Information Supplied by the Initial Purchaser. The statements set forth in the penultimate sentence of the third paragraph under the heading "Plan of Distribution" in the Final Memorandum (to the extent such statements relate to the Initial Purchaser) constitute the only information furnished by the Initial Purchaser to the Company for the purposes of Sections 3.1(a) and 7.1(a) and (b) hereof.

Section 8.5. Communications. All notices, demands and other communications provided for hereunder shall be in writing, and, (a) if to the Initial Purchaser, shall be given by registered or certified mail, return receipt requested, telex, telegram, telecopy, courier service or personal delivery, addressed to c/o CIBC Wood Gundy Securities Corp., 425 Lexington Avenue, 3rd Floor, New York, New York 10017, or at such other address as the Initial Purchaser may designate to the Company in writing with a copy to Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005, Attention: Roger Meltzer, Esq., and (b) if to the Company, shall be given by similar means to Renaissance Cosmetics, Inc., 635 Madison Avenue, New York, New York 10022, Attention: Thomas Kaung, with a copy to Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the Americas, New York, New York 10019-6064, Attention: Mitchell S. Fishman or at such other address as the Company may designate to the Initial Purchasers in writing. In each case notices, demands and other communications shall be deemed given when received.

Section 8.6. Determinations. All determinations to be made by the Company or the Initial Purchaser hereunder in its opinion of judgment or with its approval or otherwise shall be made by it in its sole discretion (except as expressly provided otherwise).

Section 8.7. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 8.8. Successors. This Agreement shall inure to the benefit of and be binding upon the Initial Purchaser, the Company and their respective successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other Person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such Persons and for the benefit of no other Person except that (i) the indemnities of the Company contained in Section 7.1(a) of this Agreement shall also be for the benefit of the directors, officers, employees and agents of the Initial Purchaser and any Person or Persons who control the Initial Purchaser within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and (ii) the indemnities of the Initial Purchaser contained in Section 7.1(b) of this Agreement shall also be for the benefit of the directors of the Company, its officers, employees and agents and any Person or Persons who control the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act. No purchaser of Notes from the Initial Purchaser will be deemed a successor because of such purchase.

Section 8.9. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 8.10. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 8.11. Headings. The Article and Section headings and Table

of Contents used or contained in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

RENAISSANCE COSMETICS, INC.

By: /s/ Thomas T.S. Kaung

Name: Thomas T.S. Kaung
Title: GVP

CIBC WOOD GUNDY SECURITIES CORP.

By: /s/ Mark Dalton

Name: MD
Title:

EXHIBIT 1

FORM OF OPINION OF PAUL, WEISS, RIFKIND, WHARTON & GARRISON

EXHIBIT 2

FORM OF OPINION OF JOHN R. JACKSON

EXHIBIT 3

FORM OF OPINION OF COWAN, LIEBOWITZ & LATMAN, P.C.

EXHIBIT 4

FORM OF OPINION OF LYON & LYON

EXHIBIT 5

FORM OF OPINION OF DEBEVOISE & PLIMPTON

FORM OF OPINION OF CAHILL GORDON & REINDEL

RENAISSANCE COSMETICS, INC.,

as Issuer,

RENAISSANCE GUARANTOR, INC.,

as Guarantor,

and

UNITED STATES TRUST COMPANY OF NEW YORK,

as Trustee

INDENTURE

Dated as of February 7, 1997

$200,000,000

11 3/4% Senior Notes due 2004

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
ss.310(a)(1)	7.10; 11.1
(a)(2)	7.10; 11.1
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N.A. means Not Applicable.

NOTE: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of this Indenture.

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EXHIBIT B - Form of Legend and Assignment for 144A Note

EXHIBIT C - Form of Legend and Assignment for Regulation S Note

EXHIBIT D - Form of Legend for Global Note

EXHIBIT E - Form of Certificate to Be Delivered in Connection with Transfers to Non-QIB Accredited Investors

EXHIBIT F - Form of Certificate to Be Delivered in Connection with Transfers Pursuant to Regulation S

EXHIBIT G - Form of Guarantee

INDENTURE dated as of February 7, 1997 among RENAISSANCE COSMETICS, INC., a Delaware corporation, as issuer (the "Company"), RENAISSANCE GUARANTOR, INC., a Delaware corporation, as guarantor (the "Guarantor"), and UNITED STATES TRUST COMPANY OF NEW YORK, as trustee (the "Trustee").

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of $200.0 million aggregate principal amount of 11 3/4% Senior Notes due 2004 of the Company (the "Notes") to be issued as provided for in this Indenture.

The parties hereto agree as follows for the benefit of each other and for the equal and ratable benefit of the holders of the Notes:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 Definitions.

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Subsidiary or assumed in connection with the acquisition of assets from such Person.

"Acquisition EBITDA" means, without duplication, (i) EBITDA for the last four fiscal quarters for which internal financial statements are available at the Determination Date (the "Acquisition EBITDA Period") with respect to a business or Person which has been acquired by the Company or one of its Subsidiaries or which is the subject of a binding acquisition agreement requiring the calculation of EBITDA for purposes of Section 4.8 and, in each case, with respect to which financial results on a consolidated basis with the Company have not been made available for all or any portion of the related Reference Period; plus (ii) in connection with any such acquisition, projected quantifiable improvements in operating results due to an established program of cost reductions (reasonably consistent with the cost reductions actually achieved by the Company in connection with prior acquisitions) adopted, in good

faith, by the Company or one of its Subsidiaries through a Board Resolution certified by an Officers' Certificate filed with the Trustee (calculated on a pro forma basis for the Acquisition EBITDA Period as if the program had been implemented at the beginning of the Acquisition EBITDA Period), without giving effect to any operating losses of the acquired Person. Such Officers'

Certificate shall confirm that any such anticipated cost reductions in excess of $4.0 million have been reviewed for reasonableness and consistency with past practice by an independent nationally-recognized investment banking firm or one of the "Big Six" firms of independent public accountants and such firm shall not have raised any material objections thereto. Each such Officers' Certificate shall be signed by the Chief Financial Officer of the Company and another Officer of the Company. Acquisition EBITDA of a business shall be a fixed number determined as of the date the calculation of EBITDA for purposes of Section 4.8 is first required with respect to the acquisition of such business (the "First Determination Date") and shall be utilized from the First Determination Date through the date financial results are available for the four full fiscal quarters following the acquisition (except to the extent that the EBITDA of such acquired Person or business shall have been included for one or more full fiscal quarters in the calculation of the Company's EBITDA, in which case the actual EBITDA of such business or Person shall be included in the EBITDA of the Company for such period). For purposes of determining Acquisition EBITDA with respect to the acquisition of a particular business or Person, Acquisition EBITDA shall include not only the Acquisition EBITDA of such business or Person, but also the Acquisition EBITDA of any business previously acquired by the Company or the subject of a pending acquisition agreement to the extent that, as of the First Determination Date, the financial results for such business or Person have not been included in the calculation of the Company's EBITDA for the entire Reference Period.

"Acquisition EBITDA Period" has the meaning provided in the definition of "Acquisition EBITDA."

"Acquisition Indebtedness" means Indebtedness incurred by the Company or by any of its Subsidiaries the proceeds of which are used for the acquisition of a mass-market fragrance or cosmetics business and related facilities and assets.

"Additional Interest" means additional interest on the Notes payable by the Company pursuant to the Registration Rights Agreement.

"Adjusted EBITDA" means the sum, without duplication, of (a) (i) from the Issue Date until (but not including) the date on which internal financial statements are first available for the second quarter of the Company's fiscal year ending March 31, 1998 ("Fiscal 1997"), actual EBITDA of the Company for the four fiscal quarters ending with the most recent fiscal quarter for which internal financial statements are available; (ii) beginning on the date on

which the internal financial statements referred

to in clause (i) are first available until (but not including) the date on which internal financial statements for the third quarter of Fiscal 1997 are first available, an amount equal to the greater of (A) actual EBITDA of the Company for the four fiscal quarters ending with the most recent fiscal quarter for which internal financial statements are available or (B) if the actual EBITDA of the Company for the two most recently completed fiscal quarters equals or exceeds $17.0 million, $34.0 million; (iii) beginning on the date on which the internal financial statements referred to in clause (ii) are first available until (but not including) the date on which internal financial statements for the fourth quarter of Fiscal 1997 are first available, an amount equal to the greater of (x) actual EBITDA of the Company for the four fiscal quarters ending with the most recent fiscal quarter for which internal financial statements are available or (y) if the actual EBITDA of the Company for the three most recently completed fiscal quarters equals or exceeds $25.5 million, $34.0 million; and (iv) thereafter, actual EBITDA of the Company for the four fiscal quarters ending with the most recent fiscal quarter for which internal financial statements are available, plus (b) Acquisition EBITDA.

"Affiliate" of any specified Person means any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by," and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Affiliate Transaction" has the meaning provided in Section 4.14.

"Agent" means any Registrar or Paying Agent.

"Agent Members" has the meaning provided in Section 2.16(a).

"Asset Sale" means the sale, transfer or other disposition (other than to the Company or any of its Subsidiaries) in any single transaction or series of related transactions having a fair market value in excess of $1.0 million of (a) any Capital Stock of or other equity interest in any Subsidiary, (b) all or substantially all of the assets of the Company or of any Subsidiary, (c) real property; provided, that any sale, transfer or other disposition of real estate should not be deemed an "Asset Sale" if and for so long as the proceeds thereof are used by the Company and its Subsidiaries to purchase, make

improvements to or commence operations on any real property owned or acquired by the Company and its Subsidiaries promptly but in any event no later than 90 days after such sale, transfer or other disposition, or (d) all or substantially all of the assets of any business owned by the Company or any Subsidiary, or a division, line of business or comparable business segment of the Company or any Subsidiary thereof; provided, that Asset Sales shall not include sales, leases, conveyances, transfers or other dispositions to the Company, to a Subsidiary, to a Permitted Joint Venture or to any other Person if after giving effect to such sale, lease, conveyance, transfer or other disposition such other Person becomes a Subsidiary or a Permitted Joint Venture.

"Asset Sale Proceeds" means, with respect to any Asset Sale, (i) cash received by the Company or any of its Subsidiaries from such Asset Sale (including cash received as consideration for the assumption of liabilities incurred in connection with or in anticipation of such Asset Sale), after (a) provision for all income or other taxes measured by or resulting from such Asset Sale, (b) payment of all brokerage commissions, underwriting and other fees and expenses (including, without limitation, fees, disbursements and other charges of attorneys, accountants and appraisers) related to such Asset Sale, (c) provision for minority interest holders in any Subsidiary of the Company as a result of such Asset Sale and (d) deduction of appropriate amounts to be provided by the Company or such Subsidiary as a reserve, in accordance with GAAP, against any liabilities associated with the assets sold or disposed of in such Asset Sale and retained by the Company or such Subsidiary after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with the assets sold or disposed of in such Asset Sale, and (ii) promissory notes and other non-cash consideration received by the Company or any of its Subsidiaries from such Asset Sale or other

disposition upon the liquidation or conversion of such notes or non-cash consideration into cash.

"Attributable Indebtedness" means, in respect of a Sale and Lease-Back Transaction, as at the time of determination, the greater of (i) the fair value of the property subject to such arrangement (as determined by the Board of Directors) and (ii) the present value (discounted according to GAAP at the cost of indebtedness implied in the lease) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Lease-Back Transaction (including any period for which such lease has been extended).

"Available Asset Sale Proceeds" means, with respect to an Asset Sale, the aggregate Asset Sale Proceeds from such Asset Sale that have not yet been applied in accordance with clauses (iii)(a) or (iii)(b), and which have not yet been the basis for an Available Proceeds Offer in accordance with clause (iii)(c), of the first paragraph of Section 4.13.

"Available Proceeds Offer" has the meaning provided in Section 4.13.

"Bankruptcy Law" means (i) Title 11 of the U.S. Code or (ii) any other United States Federal, any state law or the law of any other jurisdiction relating to bankruptcy, insolvency, winding up, liquidation, reorganization or relief of debtors.

"Bankruptcy Order" has the meaning provided in Section 6.1(b).

"Board of Directors" means the board of directors of the Company or any duly constituted committee thereof which is authorized to make determinations under this Indenture.

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

"Business Day" means any day except a Saturday, a Sunday or any day on which banking institutions in New York, New York or the city in which the

principal corporate trust office of the Trustee are required or authorized by law or other governmental action to be closed.

"Capital Stock" means, with respect to any Person, any and all shares or other equivalents (however designated) of capital stock, partnership interests or any other participation, right or other interest in the nature of an equity interest in such Person or any option, warrant or other security convertible into any of the foregoing.

"Capitalized Lease Obligations" means Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such Indebtedness shall be the capitalized amount of such obligations determined in accordance with GAAP.

"CEDEL" has the meaning provided in Section 2.16(a).

"Change of Control" means the occurrence of one or more of the following events: (i) any Person (including a Person's Affiliates and associates), other than a Permitted Holder, becomes the beneficial owner (as defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of 50% or more of the total voting power of the Company's Common Stock; (ii) prior to a Public Equity Offering, the Permitted Holders collectively shall dispose of more than 50% of the shares of the Company's

Common Stock owned by the Permitted Holders in the aggregate as of the Issue Date (excluding dispositions made to another Permitted Holder); (iii) any Person (including a Person's Affiliates and associates), other than a Permitted Holder, becomes the beneficial owner of more than 35% of the total voting power of the Company's Common Stock, and the Permitted Holders together with the officers and employees of the Company beneficially own, in the aggregate, a lesser percentage of the total voting power of the Company's Common Stock than such other Person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Company; (iv) there shall be consummated any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the Company's Common Stock would be converted into cash, securities or other property, other than a merger or consolidation of the Company in which the holders of the Company's Common Stock outstanding immediately prior to the consolidation or merger hold, directly or indirectly,

at least a majority of the Common Stock of the surviving corporation immediately after such consolidation or merger; or (v) subsequent to a Public Equity Offering, during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Company (together with any new directors whose election by such board of directors or whose nomination for election by the stockholders of the Company has been approved by 66 2/3% of the directors then still in office who either were directors at the beginning of such period or whose election or recommendation for election was previously so approved) cease to constitute a majority of the board of directors of the Company. For the purposes of this definition, an "associate" of a Person means any other Person which would be included in a "group" (as defined under Rule 13d-5 or any successor rule or regulation promulgated under the Exchange Act) with such Person.

"Change of Control Offer" has the meaning provided in Section 4.15.

"Change of Control Payment Date" has the meaning provided in Section 4.15.

"Change of Control Purchase Price" has the meaning provided in Section 4.15.

"Collateral" has the meaning ascribed to such term in the Escrow Agreement.

"Common Stock" of any Person means all Capital Stock of such Person that is generally entitled to (i) vote in the election of directors of such Person or (ii) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management and policies of such Person.

"Company" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and, thereafter, means the successor.

"Company Request" means any written request signed in the name of the Company by any two of the following: the Chief Executive Officer; the President; any Vice President; the Chief Financial Officer; the Treasurer; or the Secretary or any Assistant Secretary (but not both the Secretary and any Assistant Secretary) of the Company.

"Consolidated Interest Expense" means, with respect to any Person, for any period, the aggregate amount of interest which, in conformity with GAAP, would be set forth opposite the caption "interest expense" or any like caption on an income statement for such Person and its Subsidiaries on a consolidated basis, imputed interest included in Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, the net costs associated with hedging obligations, the interest portion of any deferred payment obligation, amortization of discount or premium, if any, and all other non-cash interest expense (other than interest amortized to cost of sales) plus, without duplication, all net capitalized interest for such period and all interest incurred or paid under any guarantee of Indebtedness (including a guarantee of principal, interest or any combination thereof) of any Person,
plus the amount of all dividends or distributions paid on Disqualified Capital Stock (other than dividends paid or payable in shares of Capital Stock of the Company); provided, however, that, solely for purposes of the calculation of 1.6 times the Company's Cumulative Consolidated Interest Expense in Sec tion 4.9(c), Consolidated Interest Expense shall exclude the amortization of deferred financing costs.

"Consolidated Net Income" means, with respect to any Person, for any period, the aggregate of the Net Income (before preferred stock dividends) of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided, however, that (a) the Net Income of any Person (the "other Person") in which the Person in question or any of its Subsidiaries has less than a 100% interest (which interest does not cause the Net Income of such other Person to be consolidated into the Net Income of the Person in question in accordance with GAAP) shall be included only to the extent of the amount of dividends or distributions paid to the Person in question or the Subsidiary, (b) the Net Income of any Subsidiary of the Person in question the distribution of which for the relevant period was restricted by any Payment Restriction shall be excluded to the extent of such Payment Restriction, (c)(i) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition and (ii) any net gain (but not loss) resulting from an Asset Sale by the Person in question or any of its Subsidiaries other than in the ordinary course of business shall be excluded,

and (d) extraordinary gains and losses shall be excluded.

"Consolidated Total Assets" of any Person means the consolidated total assets of such Person, determined on a consolidated basis in accordance with GAAP.

"Cumulative Consolidated Interest Expense" means, as of any date of determination, Consolidated Interest Expense of the Company from January 1, 1997 to the end of the Company's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

"Cumulative EBITDA" means, as of any date of determination, EBITDA of the Company from January 1, 1997 to the end of the Company's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

"Custodian" has the meaning provided in Section 6.1(b).

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Depository" means, with respect to the Notes issued in the form of one or more Global Notes, The Depository Trust Company or another Person designated as Depository by the Company, which Person must be a clearing agency registered under the Exchange Act.

"Determination Date" has the meaning provided in Section 4.8.

"Disqualified Capital Stock" means any Capital Stock of the Company or any of its Subsidiaries which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or upon the happening of any event (other than an event which constitutes a Change of Control), (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except upon the occurrence of a Change of Control), in whole or in part, on or prior to the maturity date of the Notes, or (ii) is convertible into or exchangeable for (at the sole option of the holder thereof) (a) debt securities or (b) any Capital Stock referred to in (i) above, in each case at any time prior to the final maturity of the Notes; provided, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such final maturity date shall be deemed to be

Disqualified Capital Stock; provided, however, that Preferred Stock of the

Company that is issued with the benefit of provisions requiring a change of control offer to be made for such Preferred Stock in the event of a change of control of the Company, which provisions have substantially the same effect as the provisions of Section 4.15, shall not be deemed to be Disqualified Capital Stock solely by virtue of such provisions.

"EBITDA" means, for any Person, for any period, an amount equal to (a) the sum of, without duplication, (i) Consoli dated Net Income for such period, plus (ii) the provision for taxes for such period based on income or profits to the extent such income or profits were included in computing Consolidated Net Income and any provision for taxes utilized in computing net loss under clause (i) hereof, plus (iii) Consolidated Interest Expense for such period, plus (iv) depreciation for such period on a consolidated basis, plus (v) amortization of intangible and other assets for such period on a consolidated basis, plus (vi) any other non-cash items reducing Consolidated Net Income for such period, minus (b) all non-cash items increasing Consolidated Net Income for such period, all for such Person and its Subsidiaries determined in accordance with GAAP; provided, however, that, for purposes of calculating EBITDA during any fiscal quarter, cash income from a particular Investment of such Person (other than Investments in Subsidiaries of such Person or Investments in Permitted Joint Ventures) shall be included only (x) to the extent cash income has been received by such Person with respect to such Investment, or (y) if the cash income derived from such Investment is attributable to Temporary Cash Investments.

"Equity Market Capitalization" of any Person means the aggregate market value of the outstanding Capital Stock (other than Preferred Stock and excluding any Capital Stock held in treasury by such Person) of such Person of a class that is listed or admitted to unlisted trading privileges on a United States national securities exchange or included for trading on the Nasdaq National Market System. For purposes of this definition the "market value" of any such Capital Stock shall be the average of the high and low sale prices, or if no sales are reported, the average of the high and low bid prices, as reported on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on a national securities exchange, as reported by Nasdaq, for each trading day in a 20 consecutive trading day period ending not more than

45 days prior to the date such Person commits to make an investment in the Capital Stock of the Company.

"Escrow Account" means an escrow account for the deposit of approximately $15.5 million of the net proceeds from the sale of the Notes (the "Initial Escrow Amount") under the Escrow Agreement.

"Escrow Agent" means United States Trust Company of New York, as Escrow Agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow and Disbursement Agreement, dated as of the Issue Date, by and among the Escrow Agent, the Trustee, the Guarantor and the Company, governing the disbursement of funds from the Escrow Account.

"Euroclear" has the meaning provided in Sec tion 2.16(a).

"Event of Default" has the meaning provided in Section 6.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" has the meaning provided in the Registration Rights Agreement.

"Existing Preferred Stock" means (i) all shares of the Company's Cumulative Exchangeable Redeemable Preferred Stock, Series B, par value $.01 per share, and 14% Senior Redeemable Preferred Stock, Series B and C, par value $.01 per share, outstanding on the Issue Date, (ii) all shares of 14% Senior Redeemable Preferred Stock, Series C, par value $.01 per share, issued in exchange for shares of 14% Senior Redeemable Preferred Stock, Series B, after the Issue Date and (iii) any shares thereof issued thereafter as payment of dividends on such outstanding shares.

"First Determination Date" has the meaning provided in the definition of "Acquisition EBITDA."

"Fiscal 1997" has the meaning provided in the definition of "Adjusted EBITDA."

"GAAP" means generally accepted accounting principles consistently applied as in effect in the United States from time to time.

"Global Notes" has the meaning provided in Sec tion 2.16(a).

"Guarantor" means Renaissance Guarantor, Inc., a Delaware corporation.

"Holder" or "Noteholder" means, in the case of any Note, the Person in whose name such Note is registered on the Registrar's books.

"incur" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Indebtedness or other obligation on the balance sheet of such person

(and "incurrence," "incurred," "incurrable," and "incurring" shall have meanings correlative to the foregoing); provided, that a change in GAAP that results in an obligation of such Person that exists at such time becoming Indebtedness shall not be deemed an incurrence of such Indebtedness.

"Indebtedness" means (without duplication), with respect to any Person, any indebtedness at any time outstanding, secured or unsecured, contingent or otherwise, which is for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property (excluding, without limitation, any balances that constitute accounts payable or trade payables, and other accrued liabilities arising in the ordinary course of business) if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, and shall also include, to the extent not otherwise included (i) any Capitalized Lease Obligations, (ii) obligations secured by a lien to which the property or assets owned or held by such Person is subject, whether or not the obligation or obligations secured thereby shall have been assumed, (iii) guarantees of items of other Persons which would be included within this definition for such other Persons (whether or not such

items would appear upon the balance sheet of the guarantor), (iv) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction, (v) in the case of the Company, Disqualified Capital Stock of the Company or any of its Subsidiaries, and (vi) obligations of any such Person under any Interest Rate Agreement applicable to any of the foregoing (if and to the extent such Interest Rate Agreement obligations would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP). The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligations; provided, that (i) the amount outstanding at any time of any Indebtedness issued with original issue discount is the principal amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP and (ii) Indebtedness shall not include any liability for federal, state, local or other taxes. Notwithstanding any other provision of the foregoing definition, (a) any trade payable arising from the purchase of goods or materials or for services obtained in the ordinary course of business shall not be deemed to be "Indebtedness" of the Company or any of its Subsidiaries for purposes of this definition and (b) guarantees of (or obligations with respect to letters of credit supporting) Indebtedness otherwise included in the determination of such amount shall not also be included.

"Indenture" means this Indenture as amended or supplemented from

time to time pursuant to the terms hereof.

"Initial Escrow Amount" has the meaning provided in the definition of "Escrow Account."

"Initial Purchaser" means CIBC Wood Gundy Securities Corp.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) promulgated under the Securities Act.

"Interest Payment Date," when used with respect to any Note, means the stated maturity of an installment of interest specified in such Note.

"Interest Portion" has the meaning provided in Section 10.5.

"Interest Rate Agreement" means, for any Person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

"Investments" means, directly or indirectly, any advance, account receivable (other than an account receivable arising in the ordinary course of business), loan or capital contribution to (by means of transfers of property to others, payments for property or services for the account or use of others or otherwise), the purchase of any stock, bonds, notes, debentures, partnership or joint venture interests or other securities of, or the acquisition, by purchase or otherwise, of all or substantially all of the business or assets or stock or other evidence of beneficial ownership of, any Person. Investments shall exclude extensions of trade credit on commercially reasonable terms in accordance with normal trade practices. The amount of an Investment shall be equal to the original cost thereof plus the cost of all additions thereto less the sum of all amounts received as a return on such Investment.

"Issue Date" means the date the Notes are first issued by the Company and authenticated by the Trustee under this Indenture.

"Legal Holiday" means any day other than a Business Day.

"Lien" means, with respect to any property or assets of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement, encumbrance, preference, priority, or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including without limitation, any Capitalized Lease Obligation, conditional sales, or other title retention agreement having substantially the same economic effect as any of the foregoing).

"Maturity Date" means, with respect to any Note, the date specified in such Note as the fixed date on which principal of such Note is due and payable.

"Net Income" means, with respect to any Person for any period, the net income (loss) of such Person determined in accordance with GAAP.

"Net Proceeds" means (a) in the case of any sale of Capital Stock by the Company, the aggregate net proceeds received by the Company, after payment of expenses, commissions and the like incurred in connection therewith, whether such proceeds are in cash or in property (valued at the fair market value thereof, as determined in good faith by the Board of Directors, at the time of receipt) and (b) in the case of any exchange, exercise, conversion or surrender of outstanding securities of any kind for or into shares of Capital Stock of the Company which is not Disqualified Capital Stock, the net book value of such outstanding securities on the date of such exchange, exercise, conversion or surrender (plus any additional amount required to be paid by the holder to the Company upon such exchange, exercise, conversion or surrender, less any and all payments made to the holders, e.g., on account of fractional shares and less all expenses incurred by the Company in connection therewith).

"New Revolving Credit Facility" means a revolving credit facility to be entered into between one or more Subsidiaries of the Company (other than the Guarantor) and an institutional lender or lenders as the same may be amended, extended, renewed, restated, supplemented, replaced, refinanced or otherwise modified from time to time.

"Notes" means the $200.0 million aggregate principal amount of 11 3/4% Senior Notes due 2004 issued by the Company on the Issue Date pursuant to this Indenture.

"Obligations" means, with respect to any Indebtedness, any principal, premium, interest, penalties, fees, indemnifications, reimbursements, damages and other expenses payable under the documentation governing such Indebtedness.

"Officer" means, with respect to any Person (other than the Trustee), the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Secretary, or the Controller of such Person.

"Officers' Certificate" means, with respect to any Person, a certificate signed by the Chief Executive Officer, the President or any Vice

President and the Chief Financial Officer or any Treasurer of such Person that shall comply with applicable provisions of this Indenture.

"Opinion of Counsel" means a written opinion reasonably satisfactory in form and substance to, from legal counsel who is acceptable to, the Trustee, which may include an individual employed as counsel to the Company, and delivered to the Trustee.

"Other Notes" has the meaning provided in Section 2.2.

"Paying Agent" has the meaning provided in Section 2.4.

"Payment Restriction" has the meaning provided in Section 4.12.

"Peak Amount" of acquired accounts receivable or inventory, as the case may be, means the amount thereof shown on the quarterly financial statements of the acquired entity (or the entity from which such assets were acquired) on which the accounts receivable and inventory reflected thereon from among the financial statements for the four most recent fiscal quarters of such entity prior to such acquisition would result in the highest level of availability under the New Revolving Credit Facility.

"Permitted Asset Swap" means any transfer of properties or assets in which 90% of the consideration received by the transferor consists of properties or assets (other than cash) that will be used in the business of the transferor; provided, that (i) the aggregate fair market value (as determined in good faith by the Board of Directors) of the property or assets being transferred by the Company or such Subsidiary is not greater than the aggregate fair market value (as determined in good faith by the Board of Directors) of the property or assets received by the Company or such Subsidiary in such exchange and (ii) the aggregate fair market value (as determined in good faith by the Board of Directors) of all property or assets transferred by the Company and any of its Subsidiaries in connection with exchanges in any period of twelve consecutive months shall not exceed $5.0 million.

"Permitted Holders" means (i) Kidd Kamm Equity Partners, L.P. or Thomas V. Bonoma, (ii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of Kidd Kamm Equity Partners, L.P. or Thomas

V. Bonoma or of any Person described in this clause (ii), (iii) a trust the beneficiaries of which include only persons described in clauses (i) and (ii) above and their respective spouses and lineal descendants, (iv) the general partner and each limited partner of Kidd Kamm Equity Partners, L.P. and (v) any Subsidiary of either Kidd Kamm Equity Partners, L.P. or Thomas V. Bonoma or both of them jointly.

"Permitted Indebtedness" means any:

(i) Indebtedness of the Company or any of its Subsidiaries pursuant to the New Revolving Credit Facility in an amount not to exceed (a) until such time as Sec tion 4.20 is by its terms of no further force and effect, $75.0 million (less any mandatory prepayments actually made thereunder to the extent the corresponding commitments thereunder have been permanently reduced); provided, that such amount shall be increased in the event that the Company or any of its Subsidiaries consummates an acquisition including inventory and receivables by an amount equal to the sum of (1) the product of the Peak Amount of accounts receivable acquired in such acquisition times the advance rate provided in the New Revolving Credit Facility applicable to accounts receivable in effect at the time of such acquisition plus (2) the product of the Peak Amount of inventory acquired in such acquisition times the advance rate provided in the New Revolving Credit Facility applicable to inventory in effect at the time of such acquisition; and provided, further, that until such time as Section 4.20 is by its terms of no further force and effect, Indebtedness pursuant to the New Revolving Credit Facility incurred for the purpose of acquisition financing shall not be deemed Permitted Indebtedness; and (b) thereafter, the greater of (1) $75.0 million (less any mandatory prepayments actually made thereunder to the extent the corresponding commitments thereunder have been permanently reduced) or (2) the sum of (x) 85% of gross eligible accounts receivable of the Company and its Subsidiaries and (y) 75% of gross eligible inventory (valued at the lower of cost (first-in, first-out) or market) of the Company and its Subsidiaries, in either case less reserves;

(ii) Indebtedness under the Notes and the Subsidiary Guarantee;

(iii) Indebtedness not covered by any other clause of this definition which is outstanding on the Issue Date;

(iv) Indebtedness of the Company to any Wholly-Owned Subsidiary and Indebtedness of any Subsidiary of the Company to the Company or another Subsidiary of the Company;

(v) Purchase Money Indebtedness and Capitalized Lease Obligations incurred to acquire property in the ordinary course of business and additional Indebtedness of foreign Subsidiaries of the Company for working capital purposes, which Purchase Money Indebtedness, Capitalized Lease Obligations and additional Indebtedness do not in the aggregate at any one time outstanding exceed 5% of the Company's Consolidated Total Assets as of the end of the last preceding fiscal quarter for which internal financial statements are available;

(vi) Interest Rate Agreements;

(vii) commercial documentary letters of credit issued for the account of the Company or any of its Subsidiaries in the ordinary course of business in an aggregate amount not to exceed the greater of $5.0 million or 1.5% of the Company's Consolidated Total Assets as of the end of the last preceding fiscal quarter for which internal financial statements are available, in either case at any one time outstanding;

(viii) additional Indebtedness of the Company or any of its Subsidiaries not to exceed $2.0 million in aggregate principal amount outstanding at any time;

(ix) any guarantees by the Company or its Subsidiaries of otherwise Permitted Indebtedness or Ratio Indebtedness; and

(x) Refinancing Indebtedness.

"Permitted Investments" means, for any Person, Investments made on or after the Issue Date consisting of:

(a) Investments by the Company or by a Subsidiary of the Company in (i) the Company or a Subsidiary of the Company or (ii) Permitted Joint Ventures;

(b) Temporary Cash Investments;

(c) Investments by the Company or by any of its Subsidiaries in a Person (or in all or substantially all of the business or assets of such Person), if as a result of such Investment (i) such Person becomes a Subsidiary of the Company or a Permitted Joint Venture, (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Subsidiary or (iii) such business or assets are owned by the Company or a Subsidiary of the Company;

(d) reasonable and customary loans made to employees not to exceed $1.0 million in the aggregate at any one time outstanding;

(e) an Investment that is made by the Company or any of its Subsidiaries in the form of any stock, bonds, notes, debentures, partnership or joint venture interests or other securities that are issued by a third party to the Company or such Subsidiary solely as partial consideration for the consummation of an Asset Sale that is otherwise permitted under Section 4.13;

(f) accounts receivable of the Company and its Subsidiaries generated in the ordinary course of business;

(g) miscellaneous Investments made in the ordinary course of business in an aggregate amount not to exceed $1.0 million at any one time outstanding; and

(h) Investments existing on the Issue Date.

"Permitted Joint Venture" means a Person (other than an individual or government) that is not a Subsidiary of the Company and a majority of whose revenues are derived or will, as a consequence of the Company's or one of its Subsidiaries' Investment therein, be derived from the operation of any line of business engaged in or reasonably related to a line of business engaged in by the Company and its Subsidiaries as of the Issue Date; provided, that the aggregate amount of the Company's and its Subsidiaries' Investments in Permitted Joint Ventures (including transfers of tangible assets otherwise excluded from the definition of Asset Sale) at any one time outstanding shall not exceed: (i) until the first anniversary of the Issue Date, 4% of the Company's Consolidated Total Assets as of the end of the last preceding fiscal quarter for which internal financial statements are available; (ii) until the second anniversary

of the Issue Date, 5% of the Company's Consolidated Total Assets as of the end of the last preceding fiscal quarter for which internal financial statements are available; and (iii) thereafter, 6% of the Company's Consolidated Total Assets as of the end of the last preceding fiscal quarter for which internal financial statements are available.

"Permitted Liens" means: (i) Liens existing on the Issue Date; (ii) Liens on property or assets of, or any shares of stock of or secured debt of, any corporation existing at the time such corporation becomes a Subsidiary of the Company or at the time such corporation is merged into the Company or any of its Subsidiaries; provided, that such Liens are not incurred in connection with, or in contemplation of, such corporation becoming a Subsidiary of the Company or merging into the Company or any of its Subsidiaries; (iii) Liens securing Permitted Indebtedness or Ratio Indebtedness; (iv) Liens in favor of the Company or any of its Subsidiaries; (v) statutory liens or landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which do not secure any Indebtedness and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceedings, if a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor; (vi) other Liens securing obligations incurred in the ordinary course of business which obligations do not exceed $500,000 in the aggregate at any one time outstanding; (vii) Liens for taxes, assessments or governmental charges that are being contested in good faith by appropriate proceedings; (viii) easements or minor defects or irregularities in title and other similar

charges or encumbrances on property not interfering in any material respect with the Company's or any of its Subsidiaries' use of such property and (ix) Liens for the benefit of the Holders created by the Escrow Agreement. Notwithstanding the foregoing, Permitted Liens may not extend to the Escrow Account or the Escrow Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government (including any agency or political subdivision thereof).

"Physical Notes" means certificated Notes in registered form in substantially the form set forth in Exhibit A.

"Preferred Stock" means any Capital Stock of a Person, however designated, which entitles the holder thereof to a preference with respect to dividends, distributions or liquidation proceeds of such Person over the holders of other Capital Stock issued by such Person.

"Private Exchange" has the meaning provided in the Registration Rights Agreement.

"Private Exchange Notes" has the meaning provided in the Registration Rights Agreement.

"Private Placement Legend" means the legend initially set forth on the Rule 144A Notes in the form set forth in Exhibit B.

"Property" of any Person means all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent consolidated balance sheet of such Person and its Subsidiaries under GAAP.

"Public Equity Offering" means a public offering by the Company of shares of its Common Stock (however designated and whether voting or non-voting) and any and all rights, warrants or options to acquire such common stock pursuant to a registration statement registered pursuant to the Securities Act.

"Purchase Money Indebtedness" means any Indebtedness incurred in the ordinary course of business by a Person to finance the cost (including the cost of construction) of an item of Property, the principal amount of which Indebtedness does not exceed the sum of (i) 100% of such cost and (ii) reasonable fees and expenses of such Person incurred in connection therewith.

"Qualified Institutional Buyer" or "QIB" shall have the meaning specified in Rule 144A.

"Ratio Indebtedness" means Indebtedness of the Company or any of its Subsidiaries (other than Permitted Indebtedness) incurred in compliance with Section 4.8.

"Redeemable Dividend" means, for any dividend or distribution with regard to Disqualified Capital Stock, the quotient of the dividend or distribution divided by the difference between one and the maximum statutory

federal income tax rate (expressed as a decimal number between 1 and 0) then applicable to the issuer of such Disqualified Capital Stock.

"Redemption Date" means, with respect to any Note, the Maturity Date of such Note or the date on which such Note is to be redeemed by the Company pursuant to the terms of the Notes.

"Reference Period" has the meaning set forth in Section 4.8.

"Refinancing Indebtedness" means Indebtedness that refunds, refinances or extends (a) any Indebtedness of the Company or its Subsidiaries outstanding on the Issue Date or (b) any other Indebtedness permitted to be incurred by the Company or its Subsidiaries pursuant to the terms of this Indenture, but only to the extent that: (i) the Refinancing Indebtedness is subordinated to the Notes to at least the same extent that the Indebtedness being refunded, refinanced or extended is so subordinated, if at all; (ii) the Refinancing Indebtedness is scheduled to mature either (A) no earlier than the Indebtedness being refunded, refinanced or extended, or (B) after the maturity date of the Notes; (iii) the portion, if any, of the Refinancing Indebtedness that is scheduled to mature on or prior to the maturity date of the Notes has a weighted average life to maturity at the time such Refinancing Indebtedness is incurred that is equal to or greater than the weighted average life to maturity of the portion of the Indebtedness being refunded, refinanced or extended that is scheduled to mature on or prior to the maturity date of the Notes; (iv) such Refinancing Indebtedness is in an aggregate principal amount that is equal to or less than the sum of (x) the aggregate principal amount then outstanding under the Indebtedness being refunded, refinanced or extended (or, in the case of a credit or other facility represented by commitments (such as, but not limited to, the New Revolving Credit Facility), the sum of the outstanding principal amount plus the maximum amount of the unused commitments thereunder), (y) the amount of accrued and unpaid interest, if any, and premiums owed, if any, not in excess of preexisting prepayment provisions on such Indebtedness being refunded, refinanced or extended and (z) the amount of customary fees, expenses and costs related to the incurrence of such Refinancing Indebtedness; and (v) such Refinancing Indebtedness is not incurred by a Subsidiary to refinance Indebtedness of the Company. Refinancing Indebtedness shall not include any Indebtedness permitted to be incurred under any other provision of this Indenture.

"Registrar" has the meaning provided in Section 2.4.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of the Issue Date by and between the Company and the Initial Purchaser.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Notes" has the meaning provided in Section 2.16(a).

"Regulation S Notes" has the meaning provided in Section 2.2.

"Reinvestment Date" has the meaning provided in Section 4.13.

"Restricted Global Note" has the meaning provided in Section 2.16(a).

"Restricted Note" has the same meaning as "restricted security" set forth in Rule 144(a)(3) promulgated under the Securities Act; provided, that the Trustee shall be entitled to request and conclusively rely upon an Opinion of Counsel with respect to whether any Note is a Restricted Note.

"Restricted Payment" means any of the following: (i) the declaration or payment of any dividend or any other distribution or payment on Capital Stock of the Company or any of its Subsidiaries or any payment made to the direct or indirect holders (in their capacities as such) of Capital Stock of the Company or any such Subsidiary (other than (x) dividends or distributions payable solely in Capital Stock (other than Disqualified Capital Stock) or in options, warrants or other rights to purchase Capital Stock (other than Disqualified Capital Stock), (y) dividends on shares of the Company's preferred stock outstanding on the Issue Date payable solely in shares of preferred stock of the same series (whether or not Disqualified Capital Stock) and dividends on such additional dividend shares, and (z) in the case of Subsidiaries of the Company, dividends or distributions payable to the Company or to a Wholly-Owned Subsidiary); (ii) the purchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any of its Subsidiaries (other than Capital Stock owned by the Company or a Wholly-Owned Subsidiary, excluding Disqualified Capital Stock); (iii) the making of any principal payment on, or the purchase,

defeasance, repurchase, redemption or other acquisition or retirement for value, prior to any scheduled maturity, scheduled repayment or scheduled sinking fund payment, of any Subordinated Indebtedness (other than Subordinated Indebtedness

acquired in anticipation of satisfying a scheduled sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition); (iv) the making of any Investment or guarantee of any Investment in any Person other than a Permitted Investment; and (v) forgiveness of any Indebtedness of an Affiliate of the Company to the Company or any of its Subsidiaries. For purposes of determining the amount expended for Restricted Payments, cash distributed or invested shall be valued at the face amount thereof and property other than cash shall be valued at its fair market value, as determined in good faith by the Board of Directors.

"Restricted Period" has the meaning provided in Section 2.16(f).

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 144A Notes" has the meaning provided in Sec tion 2.2.

"Sale and Lease-Back Transaction" means any arrangement with any Person providing for the leasing by the Company or any of its Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Company or such Subsidiary to such Person in contemplation of such leasing.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Significant Subsidiary" means any Subsidiary which would be a "significant subsidiary" as defined in Article I, Rule 1-02 of Regulation S-X, promulgated under the Securities Act and the Exchange Act, as in effect on the Issue Date.

"Strategic Equity Investment" means the issuance and sale of Capital Stock (other than Disqualified Capital Stock) of the Company to a Person substantially engaged in the business of manufacturing or marketing fragrances

or cosmetics through the mass-market distribution channel or any other business reasonably related to the Company's business that has an Equity Market Capitalization of at least $200.0 million.

"Subordinated Indebtedness" means any Indebtedness of the Company which is expressly subordinated in right of payment to the Notes.

"Subsidiary" of any specified Person means any corporation, partnership, joint venture, association or other business entity, whether now existing or hereafter organized or acquired, (i) in the case of a corporation, of which more than 50% of the total voting power of the Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of

directors, officers or trustees thereof is held by such first-named Person or any of its Subsidiaries; or (ii) in the case of a partnership, joint venture, association or other business entity, with respect to which such first-named Person or any of its Subsidiaries has the power to direct or cause the direction of the management and policies of such entity by contract or otherwise or if in accordance with GAAP such entity is consolidated with the first-named Person for financial statement purposes.

"Subsidiary Guarantee" means the limited guarantee of the Obligations of the Company with respect to the Notes by the Guarantor pursuant to the terms of Article X hereof.

"Taxes" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto) imposed or levied by or on behalf of a Taxing Authority.

"Taxing Authority" means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"Temporary Cash Investments" means (i) Investments in marketable, direct obligations issued or guaranteed by the United States of America, or of any governmental agency or political subdivision thereof, or securities representing any portion thereof, maturing within 740 days of the date of purchase; (ii) Investments in certificates of deposit issued by a bank organized under the laws of the United States of America or any state thereof or the District of Columbia, in each case having capital, surplus and undivided profits

totaling more than $500.0 million and rated at least A by Standard & Poor's Corporation and A-2 by Moody's Investors Service, Inc., maturing within 365 days of purchase; or (iii) Investments not exceeding 365 days in duration in money market funds that invest substantially all of such funds' assets in the Investments described in the preceding clauses (i) and (ii).

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code ss.ss. 77aaa-77bbbb) as in effect on the date of this Indenture (except as provided in Section 9.3).

"Trustee" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and thereafter means such successor.

"Trust Officer" means an officer or assistant officer of the Trustee assigned to the Corporate Trust Department (or any successor group) of the Trustee, or any successor to such department or, in the case of a successor trustee, an officer or assistant officer assigned to the department, division or group performing the corporate trust work of such successor.

"U.S. Government Obligations" has the meaning provided in Section 8.1(b).

"Voting Stock" means, with respect to any Person, securities of any class or classes of Capital Stock in such Person entitling the holders thereof to vote under ordinary circumstances in the election of members of the board of directors or other governing body of such Person.

"Wholly-Owned Subsidiary" means any Subsidiary, all of the outstanding voting securities (other than directors' qualifying shares or an immaterial number of shares required to be owned by other Persons pursuant to applicable law) of which are owned, directly or indirectly, by the Company.

SECTION 1.2 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision shall be deemed incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

(a) "Commission" means the SEC;

(b) "indenture securities" means the Notes;

(c) "indenture security holder" means a Holder or Noteholder;

(d) "indenture to be qualified" means this Indenture;

(e) "indenture trustee" or "institutional trustee" means the Trustee; and

(f) "obligor" on the indenture securities means the Company or any other obligor on the Notes.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule and not otherwise defined herein have the meanings so assigned to them therein.

SECTION 1.3 Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) "or" is not exclusive;

(c) words in the singular include the plural, and words in the plural include the singular;

(d) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other Subsection;

(e) unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP as in effect from time to time, applied on a basis consistent with the most recent audited consolidated financial statements of the Company; and

(f) whenever in this Indenture there is mentioned, in any context, principal, interest or any other amount payable under or with respect to any Note, such mention shall be

deemed to include mention of the payment of Additional Interest to the extent that, in such context, Additional Interest is, was or would be payable in respect thereof.

ARTICLE II

THE NOTES

SECTION 2.1 Amount of Notes.

The Trustee shall authenticate Notes for original issue on the Issue Date in the aggregate principal amount of $200.0 million. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.8 hereof.

Upon receipt of a Company Request and an Officers' Certificate certifying that a registration statement relating to an exchange offer specified in the Registration Rights Agreement is effective and that the conditions precedent to a private exchange thereunder have been met, the Trustee shall authenticate an additional series of Notes in an aggregate principal amount not to exceed $200.0 million for issuance in exchange for the Notes tendered for exchange pursuant to such exchange offer registered under the Securities Act or pursuant to a Private Exchange. Exchange Notes or Private Exchange Notes may have such distinctive series designations and such changes in the form thereof as are specified in the Company Request referred to in the preceding sentence.

SECTION 2.2 Form and Dating.

The Notes and the Trustee's certificate of authentication with respect thereto shall be substantially in the form set forth in Exhibit A, which is incorporated in and forms a part of this Indenture. The Notes may have notations, legends or endorsements required by law, rule or usage to which the Company is subject. Without limiting the generality of the foregoing, Notes offered and sold to Qualified Institutional Buyers in reliance on Rule 144A ("Rule 144A Notes") shall bear the legend and include the form of assignment set forth in Exhibit B, Notes offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes") shall bear the legend and include the form of assignment set forth in Exhibit C, and Notes sold to Institutional Accredited Investors in transactions exempt from registration under the Securities Act not made in reliance on Rule 144A or Regulation S ("Other Notes")

may be represented by the Restricted Global Note or, if such an investor may not hold an interest in the Restricted Global Note, a Physical Note bearing the Private Placement Legend. Each Note shall be dated the date of its authentication.

The terms and provisions contained in the Notes shall constitute, and are expressly made, a part of this Indenture and, to the extent applicable, the Company, the Guarantor and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and agree to be bound thereby.

The Notes may be presented for registration of transfer and exchange at the offices of the Registrar.

SECTION 2.3 Execution and Authentication.

Two Officers shall sign, or one Officer shall sign and one Officer (each of whom shall, in each case, have been duly authorized by all requisite corporate actions) shall attest to, the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note was an Officer at the time of such execution but no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Note shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Note to the Trustee

for cancellation as provided in Section 2.12, for all purposes of this Indenture such Note shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Notes. Unless otherwise provided in the appointment, an authenticating agent may authenticate the Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the

Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Company and Affiliates of the Company. Each Paying Agent is designated as an authenticating agent for purposes of this Indenture.

The Notes shall be issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof.

SECTION 2.4 Registrar and Paying Agent.

The Company shall maintain an office or agency (which shall be located in the Borough of Manhattan in The City of New York, State of New York) where Notes may be presented for registration of transfer or for exchange (the "Registrar"), and an office or agency where Notes may be presented for payment (the "Paying Agent") and an office or agency where notices and demands to or upon the Company, if any, in respect of the Notes and this Indenture may be served. The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may have one or more additional Paying Agents. The term "Paying Agent" includes any additional Paying Agent. Neither the Company nor any Affiliate thereof may act as Paying Agent.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which shall incorporate the provisions of the TIA. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any such Agent. If the Company fails to maintain a Registrar or Paying Agent, or fails to give the foregoing notice, the Trustee shall act as such and shall be entitled to appropriate compensation in accordance with Section 7.7.

The Company initially appoints the corporate trust office of the Trustee located at the address set forth in Section 4.2 as Registrar, Paying Agent and agent for service of notices and demands in connection with the Notes and this Indenture.

SECTION 2.5 Paying Agent To Hold Money in Trust.

Each Paying Agent shall hold in trust for the benefit of the Noteholders or the Trustee all money held by the Paying Agent for the payment of principal of or premium or or interest on the Notes (whether such money has been paid to it by the Company or any other obligor on the Notes or the Guarantor), and the Company and the Paying Agent shall notify the Trustee of any default by the Company (or any other obligor on the Notes) in making any such payment. Money held in trust by the Paying Agent need not be segregated except as required by law and in no event shall the Paying Agent be liable for any interest on any money received by it hereunder. The Company at any time may require the Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed and the Trustee may at any time during the continuance of any Event of Default specified in Section 6.1(a)(i) or (ii), upon written request to the Paying Agent, require such Paying Agent to pay forthwith all money so held by it to the Trustee and to account for any funds disbursed. Upon making such payment, the Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.6 Noteholder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the Noteholders. If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least five Business Days before each Interest Payment Date, and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Noteholders.

SECTION 2.7 Transfer and Exchange.

Subject to Section 2.17, when Notes are presented to the Registrar with a request from the Holder of such Notes to register a transfer or to exchange them for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer as requested. Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar, duly executed by the Holder thereof or his attorneys duly authorized in writing. To permit registrations of transfers and exchanges, the Company shall issue and execute and the Trustee

shall authenticate new Notes (and the Guarantor shall execute the guarantee thereon) evidencing such transfer or exchange at the Registrar's request. No service charge shall be made to the Noteholder for any registration of transfer or exchange. The Company may require from the Noteholder payment of a sum sufficient to cover any transfer taxes or other governmental charge that may be imposed in relation to a transfer or exchange, but this provision shall not

apply to any exchange pursuant to Section 2.11, 3.6, 4.13, 4.15 or 9.5 (in which events the Company shall be responsible for the payment of such taxes). The Registrar shall not be required to exchange or register a transfer of any Note for a period of 15 days immediately preceding the mailing of notice of redemption of Notes to be redeemed or of any Note selected, called or being called for redemption except the unredeemed portion of any Note being redeemed in part.

Any Holder of the Global Note shall, by acceptance of such Global Note, agree that transfers of the beneficial interests in such Global Note may be effected only through a book entry system maintained by the Holder of such Global Note (or its agent), and that ownership of a beneficial interest in the Global Note shall be required to be reflected in a book entry.

Each Holder of a Note agrees to indemnify the Company and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Note in violation of any provision of this Indenture and/or applicable U.S. Federal or state securities law.

Except as expressly provided herein, neither the Trustee nor the Registrar shall have any duty to monitor the Company's compliance with or have any responsibility with respect to the Company's compliance with any Federal or state securities laws.

SECTION 2.8 Replacement Notes.

If a mutilated Note is surrendered to the Registrar or the Trustee, or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note (and the Guarantor shall execute the guarantee thereon) if the Holder of such Note furnishes to the Company and the Trustee evidence reasonably acceptable to them of the ownership and the destruction, loss or theft of such Note and if the requirements of Section 8-405 of the New York Uniform Commercial

Code as in effect on the date of this Indenture are met. If required by the Trustee or the Company, an indemnity bond shall be posted, sufficient in the judgment of both to protect the Company, the Trustee or any Paying Agent from any loss that any of them may suffer if such Note is replaced. The Company may charge such Holder for the Company's exceptional out-of-pocket expenses in replacing such Note and the Trustee may charge the Company for the Trustee's expenses (including, without limitation, attorneys' fees and disbursements) in replacing such Note. Every replacement Note shall constitute a contractual obligation of the Company.

SECTION 2.9 Outstanding Notes.

The Notes outstanding at any time are all Notes that have been

authenticated by the Trustee except for (a) those cancelled by it, (b) those delivered to it for cancellation, (c) to the extent set forth in Sections 8.1 and 8.2, on or after the date on which the conditions set forth in Section 8.1 or 8.2 have been satisfied, those Notes theretofore authenticated and delivered by the Trustee hereunder and (d) those described in this Section 2.9 as not outstanding. Subject to Section 2.10, a Note does not cease to be outstanding because the Company or one of its Affiliates holds the Note.

If a Note is replaced pursuant to Section 2.8, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser in whose hands such Note is a legal, valid and binding obligation of the Company.

If the Paying Agent holds, in its capacity as such, on any Maturity Date or on any optional redemption date, money sufficient to pay all accrued interest and principal with respect to such Notes payable on that date and is not prohibited from paying such money to the Holders thereof pursuant to the terms of this Indenture, then on and after that date such Notes cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10 Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any declaration of acceleration or notice of default or direction, waiver or consent or any amendment, modification or other change to this Indenture, Notes owned by the Company or any other Affiliate of the

Company shall be disregarded as though they were not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent or any amendment, modification or other change to this Indenture, only Notes as to which a Trust Officer of the Trustee has received an Officer's Certificate stating that such Notes are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee established to the satisfaction of the Trustee the pledgee's right so to act with respect to the Notes and that the pledgee is not the Company or any other Affiliate.

SECTION 2.11 Temporary Notes.

Until definitive Notes are prepared and ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes. Until such exchange, temporary Notes shall be entitled to the same rights, benefits and privileges as definitive Notes.

SECTION 2.12 Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall (subject to the record-retention requirements of the Exchange Act) destroy cancelled Notes and deliver a certificate of destruction thereof to the Company. The Company may not reissue or resell, or issue new Notes to replace, Notes that the Company has redeemed or paid, or that have been delivered to the Trustee for cancellation.

SECTION 2.13 Defaulted Interest.

If the Company defaults on a payment of interest on the Notes, it shall pay the defaulted interest, plus (to the extent permitted by law) any interest payable on the defaulted interest, in accordance with the terms hereof,

to the Persons who are Noteholders on a subsequent special record date, which date shall be at least five Business Days prior to the payment date. The Company shall fix such special record date and payment date in a manner satisfactory to the Trustee. At least 15 days before such special record date, the Company shall mail to each Noteholder a notice that states the special record date, the payment date and the amount of defaulted interest, and interest payable on defaulted interest, if any, to be paid. The Company may make payment of any defaulted interest in any other lawful manner not inconsistent with the requirements (if applicable) of any securities exchange on which the Notes may be listed and, upon such notice as may be required by such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this sentence, such manner of payment shall be deemed practicable by the Trustee.

SECTION 2.14 CUSIP Number.

The Company in issuing the Notes may use a "CUSIP" number, and if so, such CUSIP number shall be included in notices of redemption or exchange as a convenience to Holders; provided, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Notes, and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee of any such CUSIP number used by the Company in connection with the issuance of the Notes and of any change in the CUSIP number.

SECTION 2.15 Deposit of Moneys.

Prior to 10:00 a.m., New York City time, on each Interest Payment

Date and Maturity Date, the Company shall have deposited with the Paying Agent in immediately available funds money sufficient to make cash payments, if any, due on such Interest Payment Date or Maturity Date, as the case may be, in a timely manner which permits the Trustee to remit payment to the Holders on such Interest Payment Date or Maturity Date, as the case may be. The principal and interest on Global Notes shall be payable to the Depository or its nominee, as the case may be, as the sole registered owner and the sole holder of the Global Notes represented thereby. The principal and interest on Physical Notes shall be payable at the office of the Paying Agent.

SECTION 2.16 Book-Entry Provisions for Global Notes.

(a) Rule 144A Notes and Other Notes which may be held in global form, other than Regulation S Notes, initially shall be represented by one or more notes in registered, global form without interest coupons (collectively, the "Restricted Global Note"). Regulation S Notes initially shall be represented by one or more notes in registered, global form without interest coupons (collectively, the "Regulation S Global Note," and, together with the Restricted Global Note and any other global notes representing Notes, the "Global Notes"). The Global Notes initially shall (i) be registered in the name of the Depository or the nominee of such Depository, in each case for credit to an account of an Agent Member (or, in the case of the Regulation S Global Notes, of Euroclear System ("Euroclear") and Cedel Bank, S.A. ("CEDEL")), (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear legends as set forth in Exhibit D.

Members of, or direct or indirect participants in, the Depository ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Notes, and the Depository may be treated by the Company, the Trustee and any agent of the Company, or the Trustee as the absolute owner of the Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of Global Notes shall be limited to transfer in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged for Physical Notes in accordance with the rules and procedures of the Depository and the provisions of Section 2.17. In addition, a Global Note shall be exchangeable for Physical Notes if (i) the Depository (x) notifies the Company that it is unwilling or unable to continue as depository for such Global Note and the Company thereupon fails to appoint a successor depository or (y)

has ceased to be a clearing agency registered under the Exchange Act, (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause

the issuance of such Physical Notes or (iii) there shall have occurred and be continuing a Default or an Event of Default with respect to the Notes. In all cases, Physical Notes delivered in exchange for any Global Note or beneficial interests therein shall be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository (in accordance with its customary procedures).

(c) In connection with any transfer or exchange of a portion of the beneficial interest in any Global Note to beneficial owners pursuant to paragraph (b), the Registrar shall (if one or more Physical Notes are to be issued) reflect on its books and records the date and a decrease in the principal amount of the Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and the Company shall execute, and the Trustee shall upon receipt of a written order from the Company authenticate and make available for delivery, one or more Physical Notes of like tenor and amount.

(d) In connection with the transfer of Global Notes as an entirety to beneficial owners pursuant to paragraph (b), the Global Notes shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in writing in exchange for its beneficial interest in the Global Notes, an equal aggregate principal amount of Physical Notes of authorized denominations.

(e) Any Physical Note constituting a Restricted Note delivered in exchange for an interest in a Global Note pursuant to paragraph (b), (c) or (d) shall, except as otherwise provided by paragraphs (a)(i)(x) and (c) of Section 2.17, bear the Private Placement Legend or, in the case of the Regulation S Global Note, the legend set forth in Exhibit C, in each case, unless the Company determines otherwise in compliance with applicable law.

(f) On or prior to the 40th-day after the later of the commencement of the offering of the Notes represented by the Regulation S Global Note and the issue date of such Notes (such period through and including such 40th day, the "Restricted Period"), a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Restricted Global Note only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is

being made (i)(a) to a person whom the transferor reasonably believes is a

Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A or (b) pursuant to another exemption from the registration requirements under the Securities Act which is accompanied by an opinion of counsel regarding the availability of such exemption and (ii) in accordance with all applicable securities laws of any state of the United States or any other jurisdiction.

(g) Beneficial interests in the Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or CEDEL.

(h) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note shall, upon transfer, cease to be an interest in such Global Note and become an interest in such other Global Note and, accordingly, shall thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(i) The Holder of any Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

SECTION 2.17 Special Transfer Provisions.

(a) Transfers to Non-QIB Institutional Accredited Investors and Non-U.S. Persons. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Note to any Institutional Accredited Investor which is not a QIB or to any Non-U.S. Person:

(i) the Registrar shall register the transfer of any Note constituting a Restricted Note, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after February 7, 2000

or (y) (1) in the case of a transfer to an Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons), the proposed transferee has delivered to the Registrar a certificate substantially in the form of Exhibit E hereto or (2) in the case of a transfer to a Non-U.S. Person (including a QIB), the proposed transferor has delivered to the Registrar a certificate substantially in the form of Exhibit F hereto; provided, that in the case of a transfer of a Note bearing the

Private Placement Legend for a Note not bearing the Private Placement Legend, the Registrar has received an Officers' Certificate authorizing such transfer; and

(ii) if the proposed transferor is an Agent Member holding a beneficial interest in a Global Note, upon receipt by the Registrar of (x) the certificate, if any, required by paragraph (i) above and (y) instructions given in accordance with the Depository's and the Registrar's procedures,

whereupon (a) the Registrar shall reflect on its books and records the date and (if the transfer does not involve a transfer of outstanding Physical Notes) a decrease in the principal amount of a Global Note in an amount equal to the principal amount of the beneficial interest in a Global Note to be transferred, and (b) the Company shall execute and the Trustee shall authenticate and make available for delivery one or more Physical Notes of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Note to a QIB (excluding transfers to Non-U.S. Persons):

(i) the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in

reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is an Agent Member, and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in the Global Note, upon receipt by the Registrar of instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Note in an amount equal to the principal amount of the Physical Notes to be transferred, and the Trustee shall cancel the Physical Notes so

transferred.

(c) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) it has received the Officers' Certificate required by paragraph (a)(i)(y) of this Section 2.17, (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act or (iii) such Note has been sold pursuant to an effective registration statement under the Securities Act and the Registrar has received an Officers' Certificate from the Company to such effect.

(d) General. By its acceptance of any Note bearing the Private Placement Legend, each Holder of such Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.16 or this Section 2.17.

The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable notice to the Registrar.

SECTION 2.18. Computation of Interest. Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE III

REDEMPTION

SECTION 3.1 Election To Redeem; Notices to Trustee.

If the Company elects to redeem Notes pursuant to Paragraph 5 of the Notes, it shall notify the Trustee and the Paying Agent in writing of the Redemption Date and the principal amount of Notes to be redeemed.

The Company shall give each notice provided for in this Section 3.1 at least 45 days before the Redemption Date (unless a shorter notice shall be agreed to by the Trustee in writing) but not more than 65 days before the Redemption Date, together with an Officers' Certificate stating that such

redemption will comply with the conditions contained herein and in the Notes.

SECTION 3.2 Selection of Notes To Be Redeemed.

If less than all of the Notes are to be redeemed, the Trustee shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes being redeemed are listed or, if the Notes are not listed on a national securities exchange, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and equitable; provided, however, that if a partial redemption is made with the Net Proceeds of a Public Equity Offering or Strategic Equity Investment, selection of Notes for redemption shall be made on a pro rata basis unless such method is otherwise prohibited. In any proration, the Trustee shall make such adjustments, reallocations and eliminations as it shall deem proper to the end that the principal amount of each Note so prorated shall be equal to an authorized denomination, by increasing or decreasing or eliminating the amount which would be allocable to any Note on the basis of exact proportion by an

amount not exceeding $1,000. The Trustee shall make the selection from the Notes outstanding and not previously called for redemption. The Trustee shall promptly notify the Company in writing of such Notes selected for redemption and, in the case of Notes selected for partial redemption, the principal amount to be redeemed. The Trustee may select for redemption portions of the principal amount of Notes that have denominations equal to or larger than $1,000 principal amount. Notes and portions thereof that the Trustee selects shall be in amounts of $1,000 principal amount or integral multiples thereof. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

SECTION 3.3 Notice of Redemption.

At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail or cause the mailing of a notice of redemption by first-class mail to each Holder of Notes to be redeemed at such Holder's last address as it shall appear on the register maintained by the Registrar and the Trustee and any Paying Agent.

The notice shall identify the Notes to be redeemed and shall state:

(a) the Redemption Date;

(b) the paragraph of the Notes pursuant to which the Notes are being redeemed;

(c) the redemption price and the amount of accrued interest if any, to be paid;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price and accrued interest, if any;

(f) that, unless the Company defaults in making the redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date and the only remaining right of the Holders of such Notes is to receive payment of the redemption price upon surrender to the Paying Agent of the Notes redeemed;

(g) if any Note is to be redeemed in part, the portion of the principal amount (equal to $1,000 or any integral multiple thereof) of such Note to be redeemed and that, on or after the Redemption Date, upon surrender of such Note, a new Note or Notes in aggregate principal amount equal to the unredeemed portion thereof will be issued without charge to the Noteholder;

(h) if less than all of the Notes are to be redeemed, the identification of the particular Notes (or portion thereof) to be redeemed, as well as the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes estimated to be outstanding after such partial redemption; and

(i) the CUSIP number, if any, pursuant to Section 2.14.

At the Company's written request made at least 5 Business Days (or 15 Business Days, in the case of any partial redemption) prior to the date on which notice is to be given, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense.

SECTION 3.4 Effect of Notice of Redemption.

Once notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date and at the redemption price. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price plus accrued interest, if any, to the Redemption Date, but interest installments whose maturity is on or prior to such Redemption Date will be payable on the relevant Interest Payment Dates to the Holders of record at the close of business on the relevant record dates referred to in the Notes.

SECTION 3.5 Deposit of Redemption Price.

Prior to 10:00 A.M., New York City time, on the Redemption Date, the Company shall deposit with the Paying Agent in immediately available funds money sufficient to pay the redemption price of and accrued interest, if any, on all Notes or portions thereof to be redeemed on that date.

If any Note surrendered for redemption in the manner provided in the Notes shall not be so paid on the Redemption Date due to the failure of the Company to deposit sufficient funds in United States dollars with the Paying

Agent, the principal and accrued and unpaid interest thereon shall, until paid or duly provided for, bear interest, if any, as provided in Section 4.1 with respect to any payment default.

SECTION 3.6 Notes Redeemed in Part.

Upon the surrender to the Paying Agent of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder a new Note equal in principal amount to the principal amount of the unredeemed portion of the Note surrendered.

ARTICLE IV

COVENANTS

SECTION 4.1 Payment of Notes.

The Company shall pay the principal of, premium, if any, and interest (including all Additional Interest, if any, which shall be deemed to be included in the term "interest" for purposes of this Indenture and the Notes) on the Notes on the dates and in the manner provided in the Notes and this Indenture.

An installment of principal, premium or interest shall be considered paid on the date due if the Trustee or the Paying Agent holds on such date immediately available funds designated for and sufficient to pay such installment.

The Company shall pay interest on overdue principal and (to the extent permitted by law) on overdue installments of interest at the rate set forth in the Notes.

SECTION 4.2 Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York, an office or agency, where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency. If at any time the Company shall fail to maintain any such required office or agency

or shall fail to furnish the Trustee with the address thereof, such

presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in this Section 4.2.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby initially designates the corporate trust office of the Trustee set forth in Section 11.2 as an agency of the Company with respect to the Notes in accordance with Section 2.4.

SECTION 4.3 Corporate Existence.

Subject to Article V, the Company shall do or cause to be done, at its own cost and expense, all things necessary to preserve and keep in full force and effect the corporate or partnership existence and rights (charter and statutory), licenses and/or franchises of the Company and its Subsidiaries; provided, that the Company shall not be required to preserve any such rights, licenses or franchises or the existence of any Subsidiary (other than the Guarantor) if such rights, licenses or franchises will be replaced or if the maintenance or preservation thereof is, in the opinion of the Company, no longer desirable in the conduct of the business of the Company and its Subsidiaries taken as a whole (as determined in good faith by the Board of Directors, whose determination shall be evidenced by a Board Resolution); and provided, further, that any Subsidiary (other
than the Guarantor) may consolidate with, merge into or sell, convey, transfer, lease or otherwise dispose of all or part of its property and assets to the Company or any Wholly-Owned Subsidiary or engage in any Asset Sale in accordance with Section 4.13.

SECTION 4.4 Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (a) all material taxes, assessments and governmental charges levied or imposed upon income, profits or

property of it or any of its Subsidiaries and (b) all material lawful claims for

labor, materials and supplies which, if unpaid, might by law become a Lien upon property of the Company or any of its Subsidiaries; provided, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate negotiations or proceedings and for which disputed amounts any reserves required in accordance with GAAP have been made.

SECTION 4.5 Maintenance of Properties; Insurance; Books and Records; Compliance with Law.

(a) The Company shall at all times cause all properties used or useful in the conduct of its business or the business of any of its Subsidiaries to be maintained and kept in good condition, repair and working order (reasonable wear and tear excepted) and supplied with all necessary equipment, and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereto; provided, however, that nothing in this Section 4.5 shall prevent the Company or any such Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the good faith judgment of the Board of Directors or the board of directors of the Subsidiary having managerial responsibility for any such property, desirable in the conduct of the business of the Company or such Subsidiary, as the case may be.

(b) The Company shall maintain or cause to be maintained, for itself and each of its Subsidiaries, insurance (which may include self-insurance) in such amounts and covering such risks as are usually and customarily carried by corporations similarly situated with respect to similar facilities according to their respective locations, except where the failure to do so could not reasonably be expected, in the good faith judgment of the Board of Directors, to have a material adverse effect on the condition (financial or otherwise), earnings, business affairs or prospects of the Company and its Subsidiaries, taken as a whole.

(c) The Company shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in which full and correct entries shall be made of all financial transactions and the assets and business of the Company and each Subsidiary of the Company, in accordance with GAAP consistently applied

to the Company and its Subsidiaries, taken as a whole.

(d) The Company shall, and shall cause each of its Subsidiaries to, comply with all statutes, laws, ordinances, or government rules and regulations to which it is subject, non-compliance with which would materially adversely affect the business, prospects, earnings, properties, assets or financial condition of the Company and its Subsidiaries, taken as a whole.

SECTION 4.6 Compliance Certificates.

(a) The Company shall deliver to the Trustee, within 50 days after the end of each of the first three quarters of the Company's fiscal year, and within 100 days after the end of such fiscal year, Officers' Certificates of the Company (one of the signatories to which shall be either the chief operating officer, chief financial officer or chief accounting officer of the Company) stating (i) that a review of the activities of the Company during the preceding fiscal quarter or year, as the case may be, has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture and the Escrow Agreement (if it has not yet terminated), and (ii) that, to the best knowledge of each Officer signing such certificate, the Company has kept, observed, performed and fulfilled each and every covenant and condition contained in this Indenture and the Escrow Agreement (if it has not yet terminated) and is not in default in the performance or observance of any of the terms, provisions, conditions and covenants of either of such agreements (or, if a Default or Event of Default or a default under the Escrow Agreement shall have occurred, describing all such Defaults or Events of Default or defaults under the Escrow Agreement of which such Officers may have knowledge, their status and what action the Company is taking or proposes to take with respect thereto).

(b) The annual financial statements delivered pursuant to Section 4.7 shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such annual financial statements nothing has come to their attention that would lead them to believe that the Company has violated any provisions of this Indenture as they relate to accounting matters, or, if any such violation has occurred, specifying the

nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, as soon as practicable after any Officer of the Company becomes aware of (i) any Default or Event of Default or (ii) any default under the Escrow Agreement, an Officers' Certificate specifying such Default, Event of Default or default and what action the Company is taking or proposes to take with respect thereto.

(d) The Company's fiscal year currently ends on March 31. The Company shall provide notice to the Trustee of any change in its fiscal year.

SECTION 4.7 SEC Reports.

(a) The Company shall file with the SEC all information, documents

and reports to be filed with the SEC pursuant to Section 13 or 15(d) of the Exchange Act, whether or not the Company is subject to such filing requirements, so long as the SEC will accept such filings. The Company (at its own expense) shall file with the Trustee within 100 days after the end of each fiscal year of the Company, or within 50 days after the end of each of the first three fiscal quarters of each fiscal year of the Company, as the case may be, copies of the annual reports or unaudited quarterly consolidated financial statements, as the case may be, and the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company files with the SEC pursuant to Section 13 or 15(d) of the Exchange Act. Upon qualification of this Indenture under the TIA, the Company shall also comply with the provisions of TIA ss. 314(a).

(b) At the Company's expense, regardless of whether the Company is required to furnish such reports and other information referred to in paragraph (a) above to its stockholders pursuant to the Exchange Act, the Company shall cause such reports and other information to be mailed to the Holders at their addresses appearing in the register of Notes maintained by the Registrar within 100 days after the end of each fiscal year of the Company, or within 50 days after the end of each of the first three fiscal quarters of each fiscal year of the Company, as the case may be.

(c) The Company shall, upon request, provide to any Holder of Notes or any prospective transferee of any such Holder any information concerning the Company (including financial statements) necessary in order to permit such Holder to sell or transfer Notes in compliance with Rule 144A under the Securities Act; provided, however, that the Company shall not be required to furnish such information in connection with any request made on or after the date which is three years from the later of (i) the date such Note (or any predecessor Note) was acquired from the Company or (ii) the date such Note (or any predecessor Note) was last acquired from an "affiliate" of the Company within the meaning of Rule 144 under the Securities Act.

SECTION 4.8 Limitation on Additional Indebtedness.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness), other than Permitted Indebtedness, unless: (a) after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds thereof, the ratio of total Indebtedness (which, for purposes of determining this ratio only, shall not include any shares of the Existing Preferred Stock) of the Company and its Subsidiaries as of the date of any determination (the "Determination Date") to the Company's Adjusted EBITDA (including Acquisition EBITDA) for the four fiscal quarters ended immediately prior to the Determination Date (the "Reference Period") is less than (i) 6.00 to 1 if the Indebtedness is incurred prior to February 15, 1998; (ii) 5.75 to 1 if the Indebtedness is incurred on or after February 15, 1998 and prior to

February 15, 2000; and (iii) 5.50 to 1 if the Indebtedness is incurred thereafter; provided, however, that if the Indebtedness which is the subject of a determination under this provision is Acquired Indebtedness, or Indebtedness incurred in connection with the simultaneous acquisition of any Person, business, property or assets, then such ratio shall be determined by giving effect (on a pro forma basis, as if the transaction had occurred at the beginning of the four quarter period used to make such calculation) to the incurrence or assumption of such Acquired Indebtedness or such other Indebtedness by the Company or one of its Subsidiaries; and (b) no Default or Event of Default shall have occurred and be continuing at the time or as a consequence of the incurrence of such Indebtedness. In determining the Company's total Indebtedness for purposes of this Section 4.8, borrowings under the New Revolving Credit Facility shall be computed based on the lowest amount

outstanding during a period of 30 consecutive days during the four quarter period used to make the calculations referred to in this paragraph.

The Company shall not, directly or indirectly, incur any Indebtedness that is expressly subordinated to any other Indebtedness of the Company unless such Indebtedness is also expressly subordinated to the Notes to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Company.

SECTION 4.9 Limitation on Restricted Payments.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make any Restricted Payment, unless:

(a) no Default or Event of Default shall have occurred and be continuing, at the time of or immediately after giving effect to such Restricted Payment;

(b) immediately after giving pro forma effect to such Restricted Payment, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 4.8; and

(c) immediately after giving effect to such Restricted Payment, the aggregate of all Restricted Payments declared or made after the Issue Date does not exceed the sum of (1) 100% of the Company's Cumulative EBITDA minus 1.6 times the Company's Cumulative Consolidated Interest Expense, plus (2) 100% of the aggregate Net Proceeds and the fair market value of securities or other property received by the Company from the issue or sale, after the Issue Date, of Capital Stock (other than Disqualified Capital Stock or Capital Stock of the Company issued to any Subsidiary of the Company) of the Company or any Indebtedness or other securities of the Company convertible into or exercisable or exchangeable for Capital Stock (other than Disqualified Capital Stock) of the Company which has been so

converted or exercised or exchanged, as the case may be, plus (3) $1.0 million.

The provisions of this Section 4.9 shall not prohibit: (i) the payment of any distribution within 60 days after the date of declaration thereof, if at such date of declaration such

payment would comply with the provisions of this Indenture; (ii) the acquisition and cancellation or retirement of any shares of Capital Stock of the Company or Subordinated Indebtedness by conversion into, or by or in exchange for, shares of Capital Stock (other than Disqualified Capital Stock), or out of, the Net Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of shares of Capital Stock of the Company (other than Disqualified Capital Stock); (iii) the redemption or retirement of Subordinated Indebtedness of the Company in exchange for, by conversion into, or out of the Net Proceeds of, a substantially concurrent sale or incurrence of Indebtedness (other than any Indebtedness owed to a Subsidiary of the Company) of the Company that is contractually subordinated in right of payment to the Notes to at least the same extent as the Subordinated Indebtedness being redeemed or retired; (iv) the retirement of any shares of Disqualified Capital Stock by conversion into, or by exchange for, shares of Disqualified Capital Stock, or out of the Net Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of other shares of Disqualified Capital Stock; (v) the purchase, redemption or other acquisition for value of shares of Capital Stock of the Company (other than Disqualified Capital Stock) or options on such shares held by the Company's or its Subsidiaries' officers or employees or former officers or employees (or their estates or beneficiaries under their estates) upon the death, disability, retirement or termination of employment of such current or former officers or employees pursuant to the terms of an employee benefit plan or any other agreement pursuant to which such shares of Capital Stock or options were issued or pursuant to a severance, buy-sell or right of first refusal agreement with such current or former officer or employee; provided, that the aggregate cash consideration paid, or distributions made, pursuant to this clause (v) shall not in any one fiscal year exceed $1.0 million; and (vi) so long as no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such payment, the payment of management and advisory fees to Kidd Kamm Equity Partners, L.P. and its Affiliates and successors and assigns that, when taken together with all previous amounts paid in respect thereof since April 15, 1994, does not exceed an average annual amount of $675,000 per year.

Not later than the date of any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.9 were computed, which calculations may be based upon

the Company's latest available financial statements, and that no Default or Event of Default exists and is continuing and no Default or Event of Default will occur immediately after giving effect to any Restricted Payments.

SECTION 4.10 Limitation on Investments.

The Company shall not, and shall not permit any of its Subsidiaries to, make any Investment other than (i) a Permitted Investment or (ii) an Investment that is made as a Restricted Payment in compliance with Section 4.9, after the Issue Date.

SECTION 4.11 Limitation on Liens.

The Company shall not, and shall not permit any of its Subsidiaries to, create, incur or otherwise cause or suffer to exist or become effective any Liens of any kind (other than Permitted Liens) upon any Property of the Company or any such Subsidiary or any shares of stock or debt of any such Subsidiary which owns Property, now owned or hereafter acquired, unless (i) if such Lien secures Indebtedness which is pari passu with the Notes, then the Notes are secured on an equal and ratable basis with the obligations so secured until such time as such obligation is no longer secured by a Lien or (ii) if such Lien secures Subordinated Indebtedness, any such Lien shall be subordinated to a Lien granted to the Noteholders in the same collateral as that securing such Lien to the same extent as such Subordinated Indebtedness is subordinated to the Notes.

SECTION 4.12 Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any such Subsidiary to (a)(i) pay dividends or make any other distributions to the Company or any of its Subsidiaries (A) on its Capital Stock or (B) with respect to any other interest or participation in, or measured by, its profits, or (ii) pay any Indebtedness owed to the Company or any of its Subsidiaries or (b) make loans or advances or capital contributions to the Company or any of its Subsidiaries or (c) transfer any of its properties or assets to the Company or any of its Subsidiaries (any such restriction or encumbrance, other than those

excepted in clauses (i) through (ix) below, a "Payment Restriction"), except for such encumbrances or restrictions existing under or by reason of: (i) encumbrances or restrictions existing on the Issue Date; (ii) any instruments governing Ratio Indebtedness or Permitted Indebtedness, in either case other

than Subordinated Indebtedness; provided, that such encumbrance or restriction is as described in the agreement creating the New Revolving Credit Facility; (iii) this Indenture and the Notes; (iv) applicable law; (v) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Subsidiaries or of any Person that becomes a Subsidiary of the Company as in effect at the time of such acquisition or such Person becoming such a Subsidiary, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person (including any Subsidiary of the Person), so acquired; provided, that the EBITDA of such Person is not taken into account (to the extent of such restriction) in determining whether any financing or Restricted Payment in connection with such acquisition was permitted by the terms of this Indenture; (vi) customary non-assignment provisions in leases or other agreements entered into in the ordinary course of business and consistent with past practice; (vii) Refinancing Indebtedness; provided, that such restrictions are not materially less favorable, taken as a whole, to the Noteholders than those contained in the agreements governing the Indebtedness being amended, extended, refinanced, renewed, replaced, defeased or refunded; (viii) customary restrictions in security agreements or mortgages securing Indebtedness of the Company or any of its Subsidiaries to the extent such restrictions restrict the transfer of the property subject to such security agreements and mortgages; or (ix) customary covenants to maintain a minimum net worth or ratio of net worth to other financial measures contained in leases and other agreements entered into in the ordinary course of business.

SECTION 4.13 Limitation on Certain Asset Sales.

The Company shall not, and shall not permit any of its Subsidiaries to, consummate an Asset Sale unless (i) the Company or such Subsidiary, as the case may be, receives consideration at the time of such sale or other disposition at least equal to the fair market value thereof (as determined in good faith by the Board of Directors, and evidenced by a Board Resolution); (ii) not less than 80% of the consideration received by the Company or such

Subsidiary, as the case may be, is in the form of cash or cash equivalents (meaning those equivalents allowed as Temporary Cash Investments); provided, however, that the amount of (x) any liabilities of the Company or any of its Subsidiaries that are assumed by the transferee of such assets, including any Indebtedness of such a Subsidiary whose stock is purchased by the transferee and (y) any notes or other securities received by the Company or any such Subsidiary which are converted into cash within 180 days of such Asset Sale (to the extent of cash received) shall be deemed to be cash for purposes of this provision; provided, further, that the Company or such Subsidiary will not be required to comply with this clause (ii) with respect to a Permitted Asset Swap; and (iii) an amount at least equal to the Asset Sale Proceeds received by the Company or such Subsidiary are applied (a) first, to the extent the Company is required to prepay, repay or purchase Indebtedness (other than Subordinated Indebtedness) of

the Company or any of its Subsidiaries, or elects to prepay, repay or purchase other senior Indebtedness of the Company, within 180 days following the receipt of the Asset Sale Proceeds from any Asset Sale, to the prepayment, repayment or purchase of such Indebtedness; provided, that any such repayment shall result in a permanent reduction of the commitments thereunder in an amount at least equal to the principal amount so repaid; and, provided, further, that in the event no Indebtedness under the New Revolving Credit Facility is outstanding at the time of such Asset Sale, or to the extent the Asset Sale Proceeds exceed the amount of Indebtedness outstanding under the New Revolving Credit Facility, a permanent reduction in the commitments thereunder will constitute a repayment for purposes hereof; (b) second, to the extent of the balance of Asset Sale Proceeds after application as described above, to the extent the Company elects, to an investment in assets (including Capital Stock or other securities purchased in connection with the acquisition of Capital Stock or property of another Person) used or useful in businesses similar or ancillary to the business of the Company and its Subsidiaries as conducted at the time of such Asset Sale; provided, that such investment occurs or the Company or one of its Subsidiaries enters into contractual commitments to make such investment, subject only to customary conditions (other than the obtaining of financing), on or prior to the 181st day following receipt of such Asset Sale Proceeds (the "Reinvestment Date") and Asset Sale Proceeds contractually committed are so applied within 270 days following the receipt of such Asset Sale Proceeds; and (c) third, if on the Reinvestment Date with respect to any Asset Sale, the Available Asset Sale Proceeds exceed $5.0 million, the Company shall apply an amount equal to such

Available Asset Sale Proceeds to an offer to purchase the Notes, at a purchase price in cash equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon to the purchase date (an "Available Proceeds Offer"). If an Available Proceeds Offer is not fully subscribed, the Company may retain the portion of the Available Asset Sale Proceeds not required to purchase Notes, and such amount shall not be considered in the calculation of Available Asset Sale Proceeds with respect to any subsequent offer to purchase Notes.

If the Company is required to make an Available Proceeds Offer, the Company shall mail, within 30 days following the Reinvestment Date, a notice to the Holders, which shall govern the terms of the Available Proceeds Offer, stating:

(1) that such Holders have the right to require the Company to apply the Available Asset Sale Proceeds to purchase such Notes at a purchase price in cash equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the purchase date;

(2) that the Available Proceeds Offer is being made pursuant to this Section 4.13 and will remain open for a period of 20 Business Days following its commencement (the "Offer Period");

(3) the purchase price and the purchase date, which shall be a Business Day no less than 30 days and no more than 60 days after the notice is mailed;

(4) that any Note not tendered or accepted for payment will continue to accrue interest;

(5) that any Note accepted for payment pursuant to the Available Proceeds Offer shall cease to accrue interest on and after the purchase date and the deposit of the purchase price with the Trustee;

(6) that Holders electing to have a Note purchased pursuant to any Available Proceeds Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the Company, a depository, if appointed by the Company, or the Paying Agent at the address specified in the notice prior to the close of business on the Business Day preceding the purchase date;

(7) that Holders will be entitled to withdraw their election if the Company, depository or Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have the Note purchased;

(8) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Available Asset Sale Proceeds, the Company shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, shall be purchased);

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; and

(10) the calculations used in determining the amount of Available Asset Sale Proceeds to be applied to the purchase of such Notes.

On or before the purchase date, the Company shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, Notes or portions thereof validly tendered pursuant to the Available Proceeds Offer, deposit with the Paying Agent U.S. legal tender sufficient to pay the purchase price plus accrued interest, if any, on the Notes to be purchased and deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this

Section 4.13. The Paying Agent shall promptly (but in any case not later than 5 days after the purchase date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Note tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note and the Trustee shall authenticate and mail or make available for delivery such new Note to such Holder equal in principal amount to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Available Proceeds Offer on the purchase date by sending a press release to the Dow Jones News Service or similar business news service in the United States.

SECTION 4.14 Limitation on Transactions with Affiliates.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with any Affiliate (including entities in which the Company or any of its Subsidiaries own a minority interest) or holder of 10% or more of the Company's Common Stock (each of the foregoing, an "Affiliate Transaction") (other than Affiliate Transactions entered into prior to the Issue Date) or extend, renew, waive or otherwise modify the terms of any Affiliate Transaction entered into prior to the Issue Date unless (i) such Affiliate Transaction is between or among the Company and/or Wholly-Owned Subsidiaries; or (ii) the terms of such Affiliate Transaction are fair and reasonable (as determined by the Board of Directors in good faith) to the Company or such Subsidiaries, as the case may be, and the terms of such Affiliate Transaction are at least as favorable as the terms which could be obtained by the Company or such Subsidiary, as the case may be, in a comparable transaction made on an arm's-length basis between unaffiliated parties. In any Affiliate Transaction involving an amount or having a value less than $1.0 million which is not permitted under clause (i) above, the Company shall obtain a resolution of the Board of Directors approved by a majority of the members of the Board of Directors (and a majority of the disinterested members of the Board of Directors) certifying that such Affiliate Transaction complies with clause (ii) above. In Affiliate Transactions with a value of $1.0 million or more which are not permitted under clause (i) above, the Company shall obtain a written opinion as to the fairness to the Company or such Subsidiary from a financial point of view of such a transaction from an independent investment banking firm of nationally-recognized standing.

The foregoing provisions will not apply to: (i) any Restricted Payment that is not prohibited by Section 4.9; (ii) any transaction, approved by the Board of Directors or the board of directors of the Subsidiary party thereto, as the case may be, with an officer or director of the Company or of

any Subsidiary of the Company in his or her capacity as officer or director entered into in the ordinary course of business, including, without limitation, compensation, employee benefit and indemnification agreements and arrangements with any officer or director of the Company or of any such Subsidiary; or (iii)

the payment of management and advisory fees to Kidd Kamm Equity Partners, L.P. and its Affiliates and successors and assigns permitted by Section 4.9.

SECTION 4.15 Change of Control.

Within 30 days of the occurrence of a Change of Control, the Company shall notify the Trustee in writing of such occurrence and shall make an offer to purchase (the "Change of Control Offer") the outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus any accrued and unpaid interest thereon to the Change of Control Payment Date (as hereinafter defined) (such applicable purchase price being hereinafter referred to as the "Change of Control Purchase Price") in accordance with the procedures set forth in this Section 4.15.

Within 30 days of the occurrence of a Change of Control, the Company also shall (i) cause a notice of the Change of Control Offer to be sent at least once to the Dow Jones News Service or similar business news services in the United States and (ii) send by first-class mail, postage prepaid, to the Trustee and to each Holder of the Notes, at the address appearing in the register maintained by the Registrar of the Notes, a notice stating:

(1) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment, and otherwise subject to the terms and conditions set forth herein;

(2) the Change of Control Purchase Price and the purchase date (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"));

(3) that any Note not tendered will continue to accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Purchase Price, any Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date;

(5) that Holders accepting the offer to have their Notes purchased pursuant to a Change of Control Offer will be required to surrender the

Notes to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their acceptance if the Paying Agent receives, not later than the close of business on the third Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have such Notes purchased;

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, provided that each Note purchased and each such new Note issued shall be in an original principal amount in denominations of $1,000 and integral multiples thereof;

(8) any other procedures that a Holder must follow to accept a Change of Control Offer or effect withdrawal of such acceptance; and

(9) the name and address of the Paying Agent.

On the Change of Control Payment Date, the Company shall, to the extent lawful, (i) accept for payment Notes or portions thereof or beneficial interests under a Global Note properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof or beneficial interests so tendered; and (iii) deliver or cause to be delivered to the Trustee Notes so accepted together with an Officers' Certificate stating the Notes or portions thereof tendered to the Company. The Paying Agent shall promptly (1) mail to each Holder of Notes so accepted and (2) cause to be credited to the respective accounts of the Holders under a Global Note of beneficial interests so accepted payment in an amount equal to the purchase price for such Notes, and the Company shall execute and issue, and the Trustee shall promptly authenticate and mail to such Holder, a new Note equal in principal amount to any unpurchased portion of the Notes surrendered and shall issue a Global Note equal in principal amount to any unpurchased portion of the Notes so surrendered; provided, that each such

new Note shall be issued in an original principal amount in denominations of $1,000 and integral multiples thereof.

If the Company or any of its Subsidiaries has issued any outstanding Indebtedness that is subordinated in right of payment to the Notes or the

Company has issued any Preferred Stock, and the Company or such Subsidiary is required to make a Change of Control Offer or to make a distribution with respect to such subordinated Indebtedness or Preferred Stock in the event of a Change of Control, the Company or such Subsidiary shall not consummate any such offer or distribution with respect to such subordinated Indebtedness or Preferred Stock until such time as the Company shall have paid the Change of Control Purchase Price in full to the Noteholders that have accepted the Company's Change of Control Offer and shall otherwise have consummated the Change of Control Offer made to Noteholders. In addition, except for shares of Existing Preferred Stock issued in accordance with the terms thereof (including as dividends) as in effect on the Issue Date, the Company or any of its Subsidiaries will not issue Indebtedness that is subordinated in right of payment to the Notes and the Company shall not issue Preferred Stock with change of control provisions requiring the payment of such Indebtedness or Preferred Stock prior to the payment of the Notes in the event of a Change of Control.

In the event that a Change of Control occurs and the Noteholders exercise their right to require the Company to purchase Notes, if such purchase constitutes a "tender offer" for purposes of Rule 14e-1 under the Exchange Act at that time, the Company shall comply with the requirements of Rule 14e-1 as then in effect with respect to such purchase.

SECTION 4.16 Limitation on Creation of Subsidiaries.

The Company shall not create or acquire, or permit any of its Subsidiaries to create or acquire, any Subsidiary other than (i) a Subsidiary existing as of the Issue Date, or (ii) a Subsidiary conducting a business similar or reasonably related, ancillary or incidental to the business of the Company and its Subsidiaries as conducted on the Issue Date.

SECTION 4.17 Limitation on Preferred Stock of Subsidiaries.

The Company shall not permit any of its Subsidiaries to issue any Preferred Stock (except to the Company or a Subsidiary of the Company) or permit any Person (other than the Company or a Subsidiary of the Company) to hold any such Preferred Stock unless the Company or such Subsidiary would be entitled to incur or assume Indebtedness under Section 4.8 in the aggregate principal amount equal to the aggregate liquidation value of the Preferred Stock to be issued.

SECTION 4.18 Limitation on Capital Stock of Subsidiaries.

The Company shall not (i) sell, pledge, hypothecate or otherwise convey or dispose of any Capital Stock of a Subsidiary of the Company or (ii) permit any Subsidiary to issue any Capital Stock, other than to the Company or a

Wholly-Owned Subsidiary. The foregoing restrictions shall not apply to (i) an Asset Sale made in compliance with Section 4.13; (ii) the issuance of Preferred Stock in compliance with Section 4.17; or (iii) Liens securing Permitted Indebtedness or Ratio Indebtedness.

SECTION 4.19 Limitation on Sale and Lease-Back Transactions.

The Company shall not, and shall not permit any of its Subsidiaries to, enter into any Sale and Lease-Back Transaction unless (i) the consideration received in such Sale and Lease-Back Transaction is at least equal to the fair market value of the property sold, as determined by the Board of Directors in good faith, and (ii) the Company could incur the Attributable Indebtedness in respect of such Sale and Lease-Back Transaction in compliance with Section 4.8.

SECTION 4.20 Financing of Certain Acquisitions.

The Company shall not, and shall not permit any of its Subsidiaries to, use either proceeds from Indebtedness incurred under the New Revolving Credit Facility or cash (whether alone, together or in combination with other Indebtedness) to finance acquisitions unless the amount of such Indebtedness or cash, as the case may be, could be incurred (in the case of cash, as if the amount of such cash were Indebtedness) as Ratio Indebtedness; provided, that

this Section 4.20 shall be of no further force or effect at such time as the Company's actual EBITDA (without giving effect to any EBITDA generated by the acquired entities or assets subsequent to the acquisition thereof for acquisitions consummated after the Issue Date) for the last four quarters for which internal financial statements are available equals or exceeds $34.0 million as determined in good faith by the Board of Directors, as evidenced by a Board Resolution certified by an Officers' Certificate filed with the Trustee and accompanied by a certificate of the Chief Financial Officer of the Company to the effect that such actual EBITDA was calculated without giving effect to any EBITDA generated by the acquired entities or assets and that the resulting adjustments were reasonable in the circumstances; and provided, further, that this Section 4.20 shall not apply to cash constituting the Net Proceeds of an issuance by the Company of its Capital Stock (other than Disqualified Capital Stock) after the Issue Date.

SECTION 4.21 Waiver of Stay, Extension or Usury Laws.

The Company covenants (to the extent permitted by law) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants

or the performance of this Indenture; and (to the extent permitted by law) the Company hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but (to the extent permitted by law) shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.22 Further Assurance to the Trustee.

The Company and the Guarantor shall, upon request of the Trustee, execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the provisions of this Indenture.

SECTION 4.23 Disbursement of Funds; Escrow Account.

The Guarantor and the Company shall, on the Issue Date, enter into the Escrow Agreement and, pursuant thereto, shall place the Initial Escrow

Amount in the Escrow Account held by the Escrow Agent for the benefit of the Holders of the Notes and the Trustee (in its capacity as such).

SECTION 4.24 Payments for Consent.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration whether by way of interest, fee or otherwise, to any Noteholder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or agreed to be paid to all Noteholders which so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

SECTION 4.25 Guarantor.

Until the Subsidiary Guarantee shall be released in accordance with the terms of Article X, (a) the Guarantor shall be a direct, Wholly-Owned Subsidiary of the Company, (b) neither the Company nor the Guarantor shall, directly or indirectly, amend, modify or change in any manner the certificate of incorporation of the Guarantor or its by-laws or enter into any agreement with respect to the Capital Stock of the Guarantor and
(c) the Company shall observe and abide by all of the terms and provisions of the Guarantor's certificate of incorporation (including, without limitation, the restrictions on the Guarantor's activities) and by-laws and shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, through any action or inaction, cause or permit any violation of any terms or provisions of the Guarantor's certificate of incorporation and by-laws.

ARTICLE V

SUCCESSOR CORPORATION

SECTION 5.1 Merger, Consolidation or Sale of Assets.

The Company shall not consolidate with, merge with or into, or transfer all or substantially all of its assets (as an entirety or substantially as an entirety in one transaction or a series of related transactions), to any Person, and the Company shall not permit any Subsidiary to enter into any such

transaction or series of related transactions if such transaction or series of related transactions would result in a transfer of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to another Person, unless: (i) the Company or such Subsidiary, as the case may be, shall be the continuing Person, or the Person (if other than the Company or such Subsidiary) formed by such consolidation or into which the Company or such Subsidiary, as the case may be, is merged or to which the properties and assets of the Company or such Subsidiary, as the case may be, are transferred shall be a corporation, partnership, limited liability company, joint-stock company or business trust organized and existing under the laws of the United States or any State thereof or the District of Columbia and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company or such Subsidiary, as the case may be, under the Notes and this Indenture, and the obligations under the Notes and this Indenture shall remain in full force and effect; provided, that at any time the Company or its successor is a partnership, limited liability company, joint-stock company or business trust, there shall be a co-issuer of the Notes that is a corporation; (ii) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (i) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with the transaction), no Default or Event of Default shall have occurred and be continuing; and (iii) immediately after giving effect to such transaction and the assumption contemplated by clause (i) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with the transaction), the Company or the continuing Person, as the case may be, could incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 4.8.

Notwithstanding clause (ii) above, the Company may merge with an Affiliate incorporated for the purpose of reincorporating the Company in another jurisdiction to realize tax or other benefits.

In connection with any consolidation, merger or transfer of assets contemplated by this provision, the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that

such consolidation, merger or transfer and the supplemental indenture in respect thereto comply with this provision and that all conditions precedent herein provided for relating to such transaction or transactions have been complied with.

SECTION 5.2 Successor Entity Substituted.

Upon any consolidation, combination, merger or any transfer of all or substantially all of the assets of the Company in accordance with Section 5.1, the surviving entity formed by such consolidation or combination or into which the Company is merged or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such surviving entity had been named as the Company herein, and thereafter, the predecessor company (except in the case of a lease) shall be released from all obligations and covenants under this Indenture and the Notes.

ARTICLE VI

DEFAULT AND REMEDIES

SECTION 6.1 Events of Default.

(a) Each of the following constitutes an "Event of Default":

(i) default in payment of any principal of, or premium, if any, on the Notes;

(ii) default for 30 days in payment of any interest, including Additional Interest, if any, on the Notes;

(iii) default by the Company in the observance or performance of any other covenant in the Notes, this Indenture or the Escrow Agreement for 60 days after written notice from the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding;

(iv) default in the payment at final maturity of principal in an aggregate amount of $5.0 million or more with respect to any Indebtedness of the Company or any of its Subsidiaries which default shall not be cured, waived or postponed pursuant to an agreement with the holders of

such Indebtedness within 60 days after written notice by the Trustee or

any Holder, or the acceleration of any such Indebtedness aggregating $5.0 million or more which acceleration shall not be rescinded or annulled within 20 days after written notice to the Company by the Trustee or any Holder;

(v) any final judgment or judgments which can no longer be appealed for the payment of money in excess of $5.0 million (which are not paid or covered by third party insurance by financially sound insurers that have not disclaimed coverage) shall be rendered against the Company or any of its Subsidiaries thereof, and shall not be discharged for any period of 60 consecutive days during which a stay of enforcement shall not be in effect;

(vi) the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case or proceeding or otherwise files a petition in bankruptcy or answer or consent seeking reorganization or relief,

(B) consents to the entry of a Bankruptcy Order for relief against it in an involuntary case or proceeding,

(C) consents to the appointment of a Custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors or files a proposal or scheme of arrangement involving the rescheduling or composition of its indebtedness,

(E) consents to the filing against it of a petition in bankruptcy or the appointment of or taking possession by a Custodian, or

(F) shall generally not pay its debts when such debts become due or shall admit in writing its inability to pay its debts generally;

(vii) a court of competent jurisdiction enters a Bankruptcy Order under any Bankruptcy Law that:

(A) is for relief against the Company or any Significant Subsidiary in an involuntary case or proceeding,

(B) appoints a Custodian of the Company or any Significant Subsidiary for all or substantially all of its properties, or

(C) orders the liquidation of the Company or any Significant Subsidiary,

and in each case the order or decree remains unstayed and in effect for 60 days;

(viii) repudiation by the Company of its obligations under the Escrow Agreement for any reason; and

(ix) repudiation by the Guarantor of its obligations under, or the unenforceability of, the Subsidiary Guarantee.

(b) For purposes of this Article VI: the term "Custodian" means any receiver, interim receiver, receiver and manager, trustee, assignee, liquidator, sequestrator or similar official charged with maintaining possession or control over property for one or more creditors, whether under any Bankruptcy Law or otherwise. The term "Bankruptcy Order" means any court order made in a proceeding pursuant to or within the meaning of any Bankruptcy Law, containing an adjudication of bankruptcy or insolvency, or providing for liquidation, winding up, dissolution or reorganization, or appointing a custodian of a debtor or of
all or any substantial part of a debtor's property, or providing for the staying, arrangement, adjustment or composition of indebtedness or other relief of a debtor.

(c) Subject to the provisions of Sections 7.1 and 7.2, the Trustee shall not be charged with knowledge of any Default, Event of Default, Change of Control or Asset Sale unless written notice thereof shall have been given to a Trust Officer at the corporate trust office of the Trustee by the Company or any other Person.

SECTION 6.2 Acceleration.

If an Event of Default (other than an Event of Default arising under Section 6.1(a)(vi) or (vii) with respect to the Company) shall have occurred and be continuing, then the Trustee or the Holders of not less than 25% in aggregate

principal amount of the Notes then outstanding may declare to be immediately due and payable the entire principal amount of all the Notes then outstanding plus

accrued interest to the date of acceleration; provided, however, that after such acceleration but before a judgment or decree based on acceleration is obtained by the Trustee, the Holders of a majority in aggregate principal amount of outstanding Notes may rescind and annul such acceleration if all Events of Default, other than nonpayment of accelerated principal, premium or interest that has become due solely because of the acceleration, have been cured or waived as provided in this Indenture and if the rescission would not conflict with any judgment or decree. In case an Event of Default arising under Section 6.1(a)(vi) or (vii) shall occur with respect to the Company, the principal, premium and interest amount with respect to all of the Notes shall be due and payable immediately without any declaration or other act on the part of the Trustee or the Holders of the Notes.

SECTION 6.3 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

All rights of action and claims under this Indenture or the Notes may be enforced by the Trustee even if the Trustee does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

SECTION 6.4 Waiver of Past Default.

Subject to Sections 6.2, 6.7 and 9.2, the Holders of, in the aggregate, a majority in principal amount of the outstanding Notes, by notice to the Trustee, may waive an existing Default or Event of Default or compliance with any provision of this Indenture or the Notes. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such

waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 6.5 Control by Majority.

The Holders of at least a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it; provided, that the Trustee may refuse to follow any direction that (i) conflicts with law or this Indenture, (ii) the Trustee

determines may be unduly prejudicial to the rights of another Noteholder, or (iii) may involve the Trustee in personal liability unless the Trustee has indemnification satisfactory to it in its sole discretion against any loss or expense caused by its following such direction; and provided, further, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

SECTION 6.6 Limitation on Suits.

Subject to Section 6.7 below, a Noteholder may not pursue any remedy with respect to this Indenture or the Notes unless:

(a) the Holder gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in aggregate principal amount of the outstanding Notes make a written request to the Trustee to pursue a remedy;

(c) such Holder or Holders offer and, if requested, provide to the Trustee indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the outstanding Notes do not give the Trustee a direction inconsistent with the request.

The foregoing limitations shall not apply to a suit instituted by a Holder for the enforcement of the payment of principal of or accrued interest on

the Notes on or after the respective due dates set forth or provided for in the Notes.

A Noteholder may not use this Indenture to obtain a preference or priority over any other Noteholder.

SECTION 6.7 Rights of Holders To Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on a Note (including any Additional Interest), on or after the respective due dates expressed or provided for in the Note, or to bring suit for the enforcement of any such payment on or after such respective dates, is absolute and unconditional and

shall not be impaired or affected without the consent of such Holder.

SECTION 6.8 Collection Suit by Trustee.

If an Event of Default specified in Section 6.1(a)(i) or (ii) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company or any other obligor on the Notes for the whole amount of principal and accrued interest remaining unpaid, together with interest overdue on principal and, to the extent that payment of such interest is lawful, interest on overdue installments of interest, in each case at the interest rate borne by the Notes and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.9 Trustee May File Proofs of Claim.

The Trustee shall be entitled and empowered to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Noteholders allowed in any judicial proceedings relative to the Company or the Subsidiaries of the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each Noteholder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such

payments directly to the Noteholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due the Trustee under Section 7.7. To the extent that payment of such reasonable compensation, expenses, disbursements, advances, counsel fees and other amounts out of the estate in any such proceeding shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property which the Noteholders may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such proceeding.

SECTION 6.10 Priorities.

If the Trustee collects any money pursuant to this Article X, it shall pay out such money in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: to Holders for interest (including any Additional Interest) accrued on the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest;

THIRD: to Holders for principal amounts owing under the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal; and

FOURTH: to the Company.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Noteholders pursuant to this Section 6.10.

SECTION 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.7, or a suit by Holders of more than 10% in aggregate principal amount of the outstanding Notes.

SECTION 6.12 Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every case, subject to any determination in such proceeding, the Company, the Guarantor, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

ARTICLE VII

SECTION 7.1 Duties of Trustee.

(a) If an Event of Default actually known to a Trust Officer of the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default actually known to the Trustee:

(i) The Trustee need perform only those duties as are specifically set forth in this Indenture and no others and no implied covenants or

obligations shall be read into this Indenture against the Trustee.

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

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) This paragraph does not limit the effect of paragraph (b) of this Section 7.1.

(ii) In the absence of bad faith on its part, the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(iii) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4 or 6.5.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the

performance of any of its duties hereunder or in the exercise of any of its rights or powers if it
shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c), (d), (f) and (g) of this Section 7.1.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company or

the Guarantor. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee may refuse to perform any duty or exercise any right or power unless it is provided adequate funds to enable it to do so and it receives indemnity satisfactory to it in its sole discretion against any loss, liability, fee or expense.

SECTION 7.2 Rights of Trustee.

Subject to Section 7.1:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, upon reasonable prior notice to the Company, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney.

(b) Before the Trustee acts or refrains from acting with respect to any matter contemplated by this Indenture, it may require an Officers' Certificate or an Opinion of Counsel, which shall conform to the provisions of Section 11.5. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent (other

than the negligence or willful misconduct of an agent who is an employee of the Trustee) appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits

to take in good faith which it reasonably believes to be authorized or within its rights or powers.

(e) The Trustee may consult with counsel and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) Subject to clause (a) of Section 7.1 hereof, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee security or indemnity satisfactory to it in its sole discretion against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

SECTION 7.3 Individual Rights of Trustee.

The Trustee in its individual capacity or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company, or its Subsidiaries and Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Sections 7.10 and 7.11.

SECTION 7.4 Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the issuance of the Notes and it shall not be responsible for any statement of the Company in this Indenture or any document issued in connection with the sale of Notes or any statement in the Notes other than the Trustee's certificate of authentication.

SECTION 7.5 Notice of Defaults.

If a Default or an Event of Default with respect to the Notes occurs and is continuing and is known to the Trustee, the Trustee shall give notice of the Default or Event of Default within 90 days after the occurrence thereof to all Holders of Notes as their names and addresses appear on the Register unless

in each case, such Default shall have been cured or waived before the mailing or publication of such notice. Except in the case of a Default or an Event of Default in payment of principal of or interest on any Note, the Trustee may withhold the notice to the Noteholders if a committee of its Trust Officers in good faith determines that withholding the notice is in the interest of Noteholders.

SECTION 7.6 Reports by Trustee to Holders.

To the extent required by TIA ss. 313(a), within 60 days after August 15 of each year commencing with 1997 and for as long as there are Notes outstanding hereunder, the Trustee shall mail to each Noteholder the Trustee's brief report dated as of such date that complies with TIA ss. 313(a). The Trustee also shall comply with TIA ss. 313(b) and TIA ss. 313(c) and (d).

A copy of each report at the time of its mailing to Noteholders shall be filed by the Trustee with the SEC and each stock exchange, if any, on which the Notes are listed. The Company shall notify the Trustee when the Notes are listed on any stock exchange.

SECTION 7.7 Compensation and Indemnity.

The Company shall pay to the Trustee, the Paying Agent and the Registrar from time to time reasonable compensation for their respective services rendered hereunder as may be agreed in writing from time to time. The Trustee's, the Paying Agent's and the Registrar's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee, the Paying Agent and the Registrar upon request (after receipt by the Company of a reasonably detailed itemization of such expenses) for all reasonable out-of-pocket disbursements, expenses and advances (including reasonable fees and expenses of counsel) incurred or made by each of them in addition to the compensation for their respective services. Such expenses shall include the reasonable compensation, out-of-pocket disbursements and expenses of the Trustee's, the Paying Agent's and the Registrar's agents and counsel.

The Company shall indemnify the Trustee, the Paying Agent and the Registrar for, and hold each of them harmless against, any claim, demand, expense (including but not limited to reasonable attorneys' fees and expenses), loss or liability incurred by each of them arising out of or in connection with

the administration of this Indenture, the Notes or the Escrow Agreement and their respective duties hereunder or thereunder. Each of the Trustee, the Paying Agent and the Registrar shall notify the Company promptly of any claim asserted

against it for which it may seek indemnity. However, failure by the Trustee, the Paying Agent or the Registrar to so notify the Company shall not relieve the Company of its obligations hereunder. The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee, the Paying Agent or the Registrar through the Trustee's, the Paying Agent's or the Registrar's, as the case may be, own willful misconduct, negligence or bad faith.

To secure the Company's payment obligations in this Section 7.7 and in Section 6.9 (insofar as the Trustee is concerned), each of the Trustee, the Paying Agent and the Registrar shall have a lien prior to the Notes on all money or property held or collected by it, in its capacity as Trustee, Paying Agent or Registrar, as the case may be, except money or property held in trust to pay principal of or interest on particular Notes. Such lien and indemnity shall survive the satisfaction, discharge and termination of this Indenture, including any termination or rejection hereof under Bankruptcy Law.

Subject to any other rights available to the Trustee, the Registrar and the Paying Agent under any Bankruptcy Law, when any of the Trustee, the Paying Agent and the Registrar incurs expenses or renders services after an Event of Default specified in Section 6.1(a)(vi) or (vii) with respect to the Company occurs, the parties hereto and the Noteholders, by acceptance of the Notes, hereby agree that the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.8 Replacement of Trustee.

The Trustee may resign at any time by so notifying the Company and the Guarantor in writing, such resignation to be effective upon the appointment of a successor Trustee. The Holders of a majority in principal amount of the outstanding Notes may remove the Trustee by so notifying the Trustee in writing and may appoint a successor Trustee with the Company's consent, which consent shall not be unreasonably withheld. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10;

(b) the Trustee is adjudged a bankrupt or an insolvent;

(c) a receiver or other public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred

to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Immediately after that, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee (subject to the lien provided in Section 7.7), the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Noteholder.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of at least 25% in principal amount of the outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Noteholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding replacement of the Trustee pursuant to this Section 7.8, the Company's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

SECTION 7.9 Successor Trustee by Merger, Etc.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee provided such corporation shall be otherwise qualified and eligible under this Article VII.

SECTION 7.10 Eligibility; Disqualification.

This Indenture shall always have a Trustee who satisfies the requirements of TIA ss. 310(a)(1) and (2). The Trustee shall have a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA ss. 310(b) subject to its rights to apply for a stay of its duty to resign under the penultimate paragraph of TIA ss. 310(b); provided, that there shall be excluded from the operation of TIA ss. 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other

securities, of the Company are outstanding if the requirements for such exclusion set forth in TIA ss. 310(b)(1) are met. The provisions of TIA ss. 310 shall refer to the Company as obligor in respect of the Notes.

SECTION 7.11 Preferential Collection of Claims Against Company.

The Trustee shall comply with TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein. The provisions of TIA ss. 311 shall refer to the Company as obligor in respect of the Notes.

SECTION 7.12 Paying Agents.

The Company shall cause each Paying Agent other than the Trustee to execute and deliver to it and the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 7.12:

(a) that it shall hold all sums held by it as agent for the payment of principal of, or premium, if any, or interest on, the Notes (whether

such sums have been paid to it by the Company or by any obligor on the Notes) in trust for the benefit of Noteholders or the Trustee;

(b) that it shall at any time during the continuance of any Event of Default, upon written request from the Trustee, deliver to the Trustee all sums so held in trust by it together with a full accounting thereof; and

(c) that it shall give the Trustee written notice within three (3) Business Days of any failure of the Company (or by any obligor on the Notes) in the payment of any installment of the principal of, premium, if any, or interest on, the Notes when the same shall be due and payable.

ARTICLE VIII

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.1 Termination of Company's Obligations.

The Company may terminate its obligations under the Notes and this Indenture if all Notes previously authenticated and delivered (other than destroyed, lost or stolen Notes which have been replaced or paid) have been delivered to the Trustee for cancellation and the Company has paid all sums payable by it hereunder, or if:

(a) pursuant to Article III, the Company shall have given notice to

the Trustee and mailed a notice of redemption to each Holder of the redemption of all of the Notes under arrangements satisfactory to the Trustee for the giving of such notice; and

(b) the Company shall have irrevocably deposited or caused to be deposited with the Trustee or a trustee satisfactory to the Trustee, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds in trust solely for the benefit of the Holders for that purpose, United States dollars sufficient or direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America for the payment of which guarantee or obligation the full faith and credit of the United States is pledged ("U.S. Government Obligations") maturing as to principal and interest in such amounts and at such times as are sufficient, without

consideration of any reinvestment of such principal or interest or a combination thereof sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certificate thereof delivered to the Trustee, to pay when due principal of, premium, if any, and interest and Additional Interest, if any, on the outstanding Notes to redemption, provided that the Trustee shall have been irrevocably instructed to apply such United States dollars or the proceeds of such U.S. Government Obligations to the payment of said principal and interest with respect to the Notes; and

(c) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent providing for the termination of the Company's obligations under the Notes and this Indenture have been complied with.

After such delivery or irrevocable deposit the Trustee upon request shall acknowledge in writing the discharge of the Company's obligations under the Notes and this Indenture except for those surviving obligations specified below.

Notwithstanding the foregoing paragraph, (i) the Company's obligations in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 4.2, 7.7, 7.8, 8.3, 8.4 and 8.5 and (ii) the rights, powers, trusts, duties and immunities of the Trustee hereunder shall survive until the Notes are no longer outstanding. After the Notes are no longer outstanding, the Company's obligations in Sections 7.7, 8.4 and 8.5 shall survive.

SECTION 8.2 Legal Defeasance and Covenant Defeasance.

(a) The Company may, at its option by Board Resolution, at any time, with respect to the Notes, elect to have either paragraph (b) or paragraph (c)

below be applied to the outstanding Notes upon compliance with the conditions set forth in paragraph (d).

(b) Upon the Company's exercise under paragraph (a) of the option applicable to this paragraph (b), the Company shall be deemed to have been released and discharged from its obligations with respect to the outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "legal defeasance"). For this purpose, such legal defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness

represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of paragraph (e) below and the other Sections of and matters under this Indenture referred to in (i) and (ii) below, and to have satisfied all its other obligations under such Notes and this Indenture insofar as such Notes are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (i) the rights of Holders of outstanding Notes to receive solely from the trust fund described in paragraph (d) below and as more fully set forth in such paragraph, payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due, (ii) the Company's obligations with respect to such Notes under Sections 2.3, 2.4, 2.6, 2.7, 2.8 and 4.2, (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (iv) this Section 8.2 and Sections 8.3, 8.4 and 8.5. Subject to compliance with this Section 8.2, the Company may exercise its option under this paragraph (b) notwithstanding the prior exercise of its option under paragraph (c) below with respect to the Notes.

(c) Upon the Company's exercise under paragraph (a) of the option applicable to this paragraph (c), the Company shall be released and discharged from its obligations under any covenant contained in Article V and in Sections 4.5 and 4.7 through 4.20 (except for obligations mandated by the TIA) and Section 4.23 with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "covenant defeasance"), and the Notes shall thereafter be deemed to be not "outstanding" for the purpose of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the outstanding Notes, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.1(a)(iii), but, except as specified above, the remainder of this Indenture and such Notes

shall be unaffected thereby.

(d) The following shall be the conditions to application of either paragraph (b) or paragraph (c) above to the outstanding Notes:

(i) the Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 7.10 who shall agree to comply with the provisions of this Section 8.2 applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Notes, (x) United States dollars in an amount or (y) U.S. Government Obligations maturing as to principal, premium, if any, and interest in such amounts of money and at such times as are sufficient without consideration of any reinvestment of such principal, premium or interest, or (z) a combination thereof, sufficient, in the opinion of a nationally-recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, when due, principal of, premium, if any, on the outstanding Notes on or before the Maturity Date or Redemption Date or otherwise in accordance with the terms of this Indenture and of such Notes; provided, that the Trustee (or other qualifying trustee) shall have received an irrevocable written order from the Company instructing the Trustee (or other qualifying trustee) to apply such United States dollars or the proceeds of such U.S. Government Obligations to said payments with respect to the Notes;

(ii) no Default or Event of Default or event which with notice or lapse of time or both would become a Default with respect to the Notes shall have occurred and be continuing on the date of such deposit or, insofar as Sections 6.1(a)(vi) and (vii) are concerned, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

(iii) such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound;

(iv) in the case of an election under paragraph (b) above, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States stating that (x) neither the trust nor the Trustee will be required to register as an investment company under the Investment Company

Act of 1940, as amended, (y) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (z) since the Issue Date, there has been a change in the applicable United States Federal income tax law, in each case to the effect that, and based thereon such opinion shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for United States Federal income tax purposes as a result of such legal defeasance and will be subject to United States Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(v) in the case of an election under paragraph (c) above, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of the outstanding Notes will not recognize income, gain or loss for United States Federal income tax purposes as a result of such covenant defeasance and will be subject to United States Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(vi) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit made by the Company pursuant to its election under paragraph (b) or (c) of this Section 8.2 was not made by the Company with the intent of preferring the Holders over other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others;

(vii) in the case of an election under either paragraph (b) or (c) above, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that (x) the trust funds will not be subject to any rights of any other holders of Indebtedness of the Company, and (y) at the end of the sixth month following the deposit, the trust funds will not be subject to the effect of any applicable Bankruptcy Law; and

(viii) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (to the extent matters of law are involved), each stating that all conditions precedent herein provided for relating to either the legal defeasance under paragraph (b) above or the covenant defeasance under paragraph (c) above, as the case may be, have been complied with and (y) if any other Indebtedness of the Company shall then be outstanding or committed, such legal defeasance or covenant defeasance will not violate the provisions of the agreements or instruments evidencing such Indebtedness.

(e) All United States dollars and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this paragraph (e), the "Trustee")

pursuant to paragraph (d) above in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the United States dollars or U.S. Government Obligations deposited pursuant to paragraph (d) above or the principal, premium, if any, and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Section 8.2 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request, in writing, by the Company any money or U.S. Government Obligations held by it as provided in paragraph (d) above which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent legal defeasance or covenant defeasance.

SECTION 8.3 Application of Trust Money.

The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Sections 8.1 and 8.2, and shall apply the deposited money and the money from U.S. Government Obligations in accordance with this Indenture to the payment of principal of, premium, if any, and interest on the Notes. The Trustee shall be under no obligation to invest such trust money or U.S. Government Obligations except as it may agree with the Company in writing. The Trustee shall not be liable for any losses incurred in connection with such investments.

SECTION 8.4 Repayment to Company.

Subject to Sections 7.7, 8.1 and 8.2, the Trustee and the Paying Agent shall promptly pay to the Company, upon receipt
by the Trustee and the Paying Agent of an Officers' Certificate stating the amount to which the Company is entitled, any excess money, determined in accordance with Section 8.2(e), held by it at any time. The Trustee and the Paying Agent shall pay to the Company upon receipt by the Trustee or the Paying Agent, as the case may be, of an Officers' Certificate stating the amount to which the Company is entitled, any money held by it for the payment of principal, premium, if any, or interest that remains unclaimed for two years after payment to the Holders is required; provided, however, that the Trustee

and the Paying Agent before being required to make any payment may, but need not, at the expense of the Company in respect of the Notes, mail by first-class mail to each Holder of a Note entitled to such money at such Holder's address as set forth on the Register. After payment to the Company, Noteholders entitled to money must look solely to the Company for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee or Paying Agent with respect to such money shall thereupon cease.

SECTION 8.5 Reinstatement.

With respect to the circumstances referred to in Section 8.1 and 8.2, if the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Indenture by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then and only then the Company's obligations under this Indenture and the Notes shall

be revived and reinstated as though no deposit had been made pursuant to this Indenture until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Indenture; provided, that if the Company has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

SECTION 8.6 Moneys Held by Paying Agent.

In connection with the satisfaction and discharge of this Indenture, all moneys then held by any Paying Agent under the provisions of this Indenture shall, upon demand of the Company, be paid to the Trustee, or if sufficient moneys have been deposited pursuant to Section 8.2(d) hereof, to the Company, and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

SECTION 8.7 Moneys Held by Trustee.

Any moneys deposited with the Trustee or any Paying Agent or then held by the Company in trust for the payment of the principal of, or premium, if any, or interest on any Note that are not applied but remain unclaimed by the Holder of such Note for two years after the date upon which the principal of, or premium, if any, or interest on such Note shall have respectively become due and payable shall be repaid to the Company upon Company Request, or if such moneys are then held by the Company in trust, such moneys shall be released from such trust; and the Holder of such Note entitled to receive such payment shall thereafter, as an unsecured general creditor, look only to the Company for the payment thereof, and all liability of the Trustee or such Paying Agent with

respect to such trust money shall thereupon cease; provided, however, that the Trustee or any such Paying Agent, before being required to make any such repayment, may, at the expense of the Company either mail to each Holder affected, at the address shown in the register of the Notes maintained by the Registrar pursuant to Section 2.4 hereof, or cause to be published once a week for two successive weeks, in a newspaper published in the English language, customarily published each Business Day and of general circulation in The City of New York, New York, a notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such mailing or publication, any unclaimed balance of such moneys then

remaining will be repaid to the Company. After payment to the Company or the release of any money held in trust by the Company, Holders entitled to the money must look only to the Company for payment as general creditors unless applicable abandoned property law designates another person.

ARTICLE IX

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.1 Without Consent of Holders.

The Company and the Guarantor, when authorized by a Board Resolution of each of them, and the Trustee may amend, waive or supplement this Indenture, the Notes and the Escrow Agreement without notice to or consent of any Noteholder:

(a) to cure any ambiguity, defect or inconsistency, provided that such amendment or supplement does not materially and adversely affect the rights of any Holder;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to comply with any requirements of the SEC under the TIA;

(d) to evidence the succession in accordance with Article V hereof of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Notes;

(e) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee with respect to the Notes;

(f) to enable the Trustee to retain a first priority perfected security interest in the Collateral at such time as the Temporary Cash Investments in the Escrow Account include the type of obligations or securities provided for in clause (i) of the definition of Temporary Cash

Investments; or

(g) to make any change that does not materially and adversely affect the rights of any Holder.

SECTION 9.2 With Consent of Holders.

Subject to Section 6.7 and the provisions of this Section 9.2, the Company and the Guarantor, when authorized by a Board Resolution of each of them, and the Trustee may amend or supplement this Indenture, the Notes or the Escrow Agreement in any respect with the written consent of the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding. Subject to Section 6.7 and the provisions of this Section 9.2, the Holders of, in the aggregate, at least a majority in aggregate principal amount of the outstanding Notes affected may waive compliance by the Company or the Guarantor with any provision of this Indenture, the Notes or the Escrow Agreement without notice to any other Noteholder.

Notwithstanding the foregoing, without the consent of each Noteholder affected, an amendment, supplement or waiver, including a waiver pursuant to Section 6.4, may not:

(a) reduce the amount of Notes the Holders of which must consent to an amendment, supplement or waiver of any provision of this Indenture or the Notes;

(b) reduce the rate of, change the method of calculation of, or change the time for, payment of interest on any Note;

(c) reduce the principal of or premium on or change the stated maturity of any Note;

(d) make any Note payable in money other than that stated in the Note or change the place of payment from New York, New York;

(e) change the amount or time of any payment required by the Notes or reduce the premium payable upon any redemption of the Notes, or change the time before which no such redemption may be made;

(f) waive a default in the payment of the principal of, interest (including any Additional Interest) on, redemption payment or an offer to purchase required hereunder with respect to, any Note;

(g) amend, alter, change or modify the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of

Control or make and consummate an Available Proceeds Offer after such

obligation has arisen, or waive any of the provisions or definitions with respect to any such offers;

(h) affect the ranking of the Notes in a manner adverse to the Holders;

(i) make any change that would result in the Company being required to make any withholding or deduction from payments made under or with respect to the Notes;

(j) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes;

(k) directly or indirectly release Liens on all or substantially all of the Collateral except as permitted by the Escrow Agreement; or

(l) modify this Section 9.2 or Section 6.4.

It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under Section 9.1 or this Section 9.2 becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment or waiver.

Promptly after the execution by the Company, the Guarantor and the Trustee of any supplemental indenture pursuant to the provisions of this Section 9.2, the Trustee shall give notice thereof, at the expense of the Company, to the Holders of then outstanding Notes, by mailing a notice thereof by first-class mail to such Holders at their addresses as they shall appear on the books of the Registrar.

SECTION 9.3 Compliance with Trust Indenture Act.

Every amendment to or supplement of this Indenture or the Notes shall comply with the TIA as then in effect.

SECTION 9.4 Revocation and Effect of Amendments and Consents.

Until an amendment or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of that Note or portion of that Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. Prior to becoming effective, however, any such Holder or subsequent Holder may revoke the consent as to his Note or portion of a Note. Such revocation shall be effective only if the Trustee receives the written notice of revocation before the date the amendment, supplement or waiver becomes effective. Notwithstanding the above, nothing in this paragraph shall impair the right of any Noteholder under ss. 316(b) of the TIA.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders of Notes entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then notwithstanding the second and third sentences of the immediately preceding paragraph, those Persons who were Holders of Notes at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders of Registered Notes after such record date. Such consent shall be effective only for actions taken within 90 days after such record date.

After an amendment, supplement or waiver becomes effective, it shall bind every Noteholder (and every subsequent Noteholder), unless it makes a change described in any of clauses (a) through (l) of Section 9.2; if it makes such a change, the amendment, supplement or waiver shall bind every Holder consenting thereto and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note.

SECTION 9.5 Notation on or Exchange of Notes.

If an amendment, supplement or waiver changes the terms of a Note, the Trustee shall (in accordance with the specific written direction of the Company and at the expense of the Company) request the Holder of the Note to deliver it to the Trustee. The Trustee shall (in accordance with the specific direction of the Company) place an appropriate notation on the Note about the

changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.6 Trustee To Sign Amendments, Etc.

The Trustee shall sign any amendment, supplement or waiver

authorized pursuant to this Article IX if the amendment, supplement or waiver does not adversely affect the rights, duties or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing any amendment, supplement or waiver, the Trustee shall be entitled to receive, if requested, an indemnity satisfactory to it in its sole discretion and to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article IX is authorized or permitted by this Indenture and is a legal valid and binding obligation of the Company enforceable against the Company, in accordance with its terms (subject to customary exceptions). Neither the Company nor the Guarantor may sign an amendment until their respective Boards of Directors approves it.

ARTICLE X

GUARANTEE OF NOTES; COLLATERAL AND SECURITY

SECTION 10.1 Guarantee.

Subject to the provisions of this Article X, the Guarantor hereby unconditionally guarantees to each Holder and to the Trustee (i) the due and punctual payment of the principal of, and premium, if any, and interest on each Note, when and as the same shall become due and payable, whether at maturity, by acceleration or otherwise, the due and punctual payment of interest (including Additional Interest) on the overdue principal of, and premium, if any, and interest on the Notes, to the extent lawful, and the due and punctual performance of all other Obligations of the Company to the Holders or the Trustee, all in accordance with the terms of such Note and this Indenture, and (ii) in the case of any extension of time of payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, at

stated maturity, by acceleration or otherwise. The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of any such Note or this Indenture, any failure to enforce the provisions of any such Note or this Indenture, any waiver, modification or indulgence granted to the Company with respect thereto by the Holder of such Note or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or the Guarantor. Without limiting the foregoing, the Guarantor agrees that it shall be liable for the payment of interest on the Notes in accordance with this Indenture notwithstanding the suspension of the accrual of such interest against the Company during a proceeding with respect to the Company under a Bankruptcy Law.

The Guarantor hereby waives diligence, presentment, demand for

payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a proceeding first against the Company, protest or notice with respect to any such Note or the Indebtedness evidenced thereby and all demands whatsoever, and covenants that this Subsidiary Guarantee will not be discharged as to any such Note except either (a) by payment in full of the principal thereof, premium if any, and interest thereon and as provided in Section 8.1 hereof or (b) by the application of the entire proceeds of the Escrow Account to the satisfaction of the Guarantor's obligations under this Indenture by the payment of such proceeds to or for the benefit of the Trustee or the Noteholders. The Guarantor further agrees that, as between the Guarantor, on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article VI hereof for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Obligations as provided in Article VI hereof, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Subsidiary Guarantee. In addition, without limiting the foregoing provisions, upon the effectiveness of an acceleration under Article VI hereof, the Trustee shall promptly make a demand for payment on the Notes under the Subsidiary Guarantee provided for in this Article X and not discharged.

The Subsidiary Guarantee set forth in this Section 10.1 shall not be valid or become obligatory for any purpose with respect to a Note until the certificate of authentication on such Note shall have been signed by or on behalf of the Trustee by its manual signature.

SECTION 10.2 Execution and Delivery of Guarantee.

To evidence the Subsidiary Guarantee set forth in this Article X, the Guarantor hereby agrees that a notation of such Subsidiary Guarantee substantially in the form included in Exhibit G hereto shall be placed on each Note authenticated and made available for delivery by the Trustee and that this Subsidiary Guarantee shall be executed on behalf of the Guarantor by the manual or facsimile signature of an Officer of the Guarantor.

The Guarantor hereby agrees that the Subsidiary Guarantee set forth in Section 10.1 shall remain in full force and effect notwithstanding any failure to execute on each Note a notation of such Subsidiary Guarantee.

If an Officer of the Guarantor whose signature is on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which the Subsidiary Guarantee is executed, the Subsidiary Guarantee shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication

thereof hereunder, shall constitute due delivery of the Subsidiary Guarantee set forth in this Indenture on behalf of the Guarantor.

SECTION 10.3 Limitation of Guarantee.

Notwithstanding any other provision of this Article X or the Subsidiary Guarantee to the contrary, the obligations of the Guarantor under this Indenture are limited in amount to the value of the property held from time to time in the Escrow Account or proceeds of such property.

SECTION 10.4 Release of Guarantor.

The Guarantor shall be released from all of its obligations under the Subsidiary Guarantee when all funds in the Escrow Account have been properly disbursed, either to the Trustee or the Company, in accordance with the terms of

the Escrow Agreement and, in such case, the Guarantor shall deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to such transactions have been complied with.

SECTION 10.5 Payments.

So long as no Default or Event of Default has occurred and is continuing, the Guarantor shall pay to the Trustee for the benefit of the holders of the Notes, on each interest payment date on the Notes, an amount equal to the amount of interest then due on $79.0 million aggregate principal amount of the Notes (such amount, the "Interest Portion"); provided, that if less than $79.0 million aggregate principal amount of the Notes are outstanding, that portion of the Interest Portion representing the interest payment then due on the amount by which $79.0 million exceeds the outstanding aggregate principal of the Notes may be paid to the Company. Upon the occurrence and during the continuation of a Default or an Event of Default, the Guarantor shall pay the full amount of interest on the Notes at the regular, pre-default rate, as the same becomes due and payable, unless paid from another source. The proceeds of the Escrow Account shall be applied first to the payment of interest on the Notes so long as interest thereon is due or will become due under the Notes and shall be applied to principal or premium, if any, only in the event that interest is no longer due and will not become due (whether because the full principal amount of the Notes is to be repaid or otherwise).

SECTION 10.6 Escrow Agreement.

The obligations of the Guarantor under the Subsidiary Guarantee and the Indenture shall be secured as and to the extent provided in the Escrow Agreement which the Guarantor, the Escrow Agent and the Trustee have entered into simultaneously with the execution of this Indenture. Each Holder of Notes,

by its acceptance thereof, consents and agrees to the terms of the Escrow Agreement (including, without limitation, the provisions providing for foreclosure and disbursement of Collateral) as the same may be in effect or may be amended from time to time in accordance with its terms and authorizes and directs the Escrow Agent and the Trustee to enter into the Escrow Agreement and to perform its obligations and exercise its rights thereunder in accordance therewith. The Guarantor shall deliver to the Trustee copies of the Escrow

Agreement, and shall do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the provisions of the Escrow Agreement, to assure and confirm to the Trustee the security interest in the Collateral contemplated by the Escrow Agreement or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture with respect to, and of, the obligations of the Guarantor under the Subsidiary Guarantee, according to the intent and purposes expressed in the Escrow Agreement. The Guarantor shall take any and all actions reasonably required to cause the Escrow Agreement to create and maintain (to the extent possible under applicable law), as security for the obligations of the Guarantor hereunder, a valid and enforceable perfected first priority Lien in and on all the Collateral, in favor of the Trustee for the benefit of the Holders of the Notes, superior to and prior to the rights of all third Persons and subject to no other Liens, subject to the rights of the Company to the release of such Collateral in the manner and to the full extent set forth in the Escrow Agreement.

SECTION 10.7 Recording and Opinions.

(a) The Guarantor shall furnish to the Trustee simultaneously with the execution and delivery of this Indenture an Opinion of Counsel either (i) stating that in the opinion of such counsel all action has been taken with respect to the recording, registering and filing of this Indenture, financing statements or other instruments necessary to make effective the Lien intended to be created by the Escrow Agreement, and reciting with respect to the security interests in the Collateral, the details of such action, or (ii) stating that, in the opinion of such counsel, no such action is necessary to make such Lien effective.

(b) The Guarantor shall furnish to the Escrow Agent and the Trustee on February 15, 1998, and on each February 15 thereafter until the date upon which the balance of Available Funds (as defined in the Escrow Agreement) shall have been reduced to zero, an Opinion of Counsel, dated as of such date, either (i) stating that (A) in the opinion of such counsel, action has been taken with respect to the recording, registering, filing, re-recording, re-registering and refiling of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the Lien of the Escrow Agreement and reciting with respect to the security

interests in the Collateral the details of such action or referring to prior

Opinions of Counsel in which such details are given and (B) based on relevant laws as in effect on the date of such Opinion of Counsel, all financing statements and continuation statements have been executed and filed that are necessary as of such date and during the succeeding 12 months fully to preserve and protect, to the extent such protection and preservation are possible by filing, the rights of the Holders of the Notes and the Trustee hereunder and under the Escrow Agreement with respect to the security interests in the Collateral or (ii) stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien and assignment.

SECTION 10.8 Release of Collateral.

(a) Subject to subsections (b), (c) and (d) of this Section 10.8, Collateral may be released from the Lien and security interest created by the Escrow Agreement only in accordance with the provisions of the Escrow Agreement.

(b) Except to the extent that any Lien on proceeds of Collateral is automatically released by operation of Section 9- 306 of the Uniform Commercial Code or other similar law, no Collateral shall be released from the Lien and security interest created by the Escrow Agreement pursuant to the provisions of the Escrow Agreement, other than pursuant to the terms thereof, unless there shall have been delivered to the Trustee the certificate required by Section 10.8(d) and Section 10.9.

(c) At any time when an Event of Default shall have occurred and be continuing and the maturity of any Notes shall have been accelerated (whether by declaration or otherwise), no Collateral shall be released pursuant to the provisions of the Escrow Agreement, and no release of Collateral in contravention of this Section 10.8(c) shall be effective as against the Holders of the Notes, except for the disbursement of all Available Funds (as defined in the Escrow Agreement) to the Trustee pursuant to Section 6(b) of the Escrow Agreement.

(d) The release of any Collateral from the Liens and security interests created by this Indenture and the Escrow Agreement shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms hereof or, subject to complying with the requirements of this Section 10.8, pursuant to the terms of the Escrow Agreement. To the extent applicable, the Guarantor shall cause TIA ss. 314(d) relating to the release of property or securities from the Lien and security interest of the Escrow Agreement to be complied with. Any certificate or opinion required by TIA ss. 314(d) may be made by an Officer of the Guarantor except in cases where TIA ss. 314(d) requires

that such certificate or opinion be made by an independent Person, which Person shall be an independent engineer, appraiser or other expert selected or approved by the Trustee in the exercise of reasonable care.

SECTION 10.9 Certificates of the Guarantor and Opinion of Counsel.

The Guarantor shall furnish to the Trustee, prior to any proposed release of Collateral other than pursuant to the express terms of the Escrow Agreement, (i) all documents required by Section 314(d) of the TIA and (ii) an Opinion of Counsel, which may be rendered by internal counsel to the Guarantor, to the effect that such accompanying documents constitute all documents required by Section 314(d) of the TIA. The Trustee may, to the extent permitted by Sections 7.1 and 7.2, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and such Opinion of Counsel.

SECTION 10.10 Authorization of Actions to Be Taken by the Trustee Under the Escrow Agreement.

Subject to the provisions of Sections 7.1 and 7.2, the Trustee may, without the consent of the Holders of the Notes, on behalf of the Holders of the Notes, take all actions it deems necessary or appropriate in order to (a) enforce any of the terms of the Escrow Agreement and (b) collect and receive any and all amounts payable in respect of the Obligations of the Guarantor hereunder. The Trustee shall have the power to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Escrow Agreement or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders of the Notes in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be

prejudicial to the interests of the Holders of the Notes or of the Trustee).

SECTION 10.11 Authorization of Receipt of Funds by the Trustee Under the Escrow Agreement.

The Trustee is authorized to receive any funds for the benefit of

the Holders of the Notes disbursed under the Escrow Agreement, and to make further distributions of such funds to the Holders of the Notes according to the provisions of this Indenture.

SECTION 10.12 Termination of Security Interest.

Upon the earliest to occur of (i) ten days following disbursement of all funds remaining in the Escrow Account (including Temporary Cash Investments), (ii) the payment in full of all obligations of the Company under this Indenture and the Notes, (iii) Legal Defeasance or Covenant Defeasance pursuant to Section 8.2, the Trustee shall, at the written request of the Company, release the Liens pursuant to this Indenture and the Escrow Agreement upon the Company's compliance with the provisions of the TIA pertaining to release of collateral.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1 Trust Indenture Act Controls.

If and to the extent that any provision of this Indenture limits, qualifies, or conflicts with the duties imposed by, or with another provision (an "incorporated provision") included in this Indenture by operation of, Sections 310 to 318, inclusive, of the TIA, such imposed duties or incorporated provision shall control.

SECTION 11.2 Notices.

Except for notice or communication to a Holder, any notice or communication shall be deemed given if in writing and delivered in person, transmitted by telecopy, delivered by a reputable overnight carrier or mailed by first-class mail, addressed or transmitted, as the case may be, as follows, and received by the addressee:

(a) if to the Company:

RENAISSANCE COSMETICS, INC.
635 Madison Avenue
New York, New York 10022
Telecopier: 212-371-7868
Attention: Thomas T.S. Kaung

(b) if to the Trustee:

UNITED STATES TRUST COMPANY OF NEW YORK
114 West 47th Street

New York, New York 10036-1532
Telecopier: 212-852-1625
Attention: Corporate Trust Department

Notice to the Company shall constitute notice to the Guarantor.

The Company and the Trustee by notice to the other may designate additional or different addresses or telecopy transmission numbers for subsequent notices or communications.

Any notice or communication mailed to a Holder of a Note, including any notice delivered in connection with TIA ss. 310(b), TIA ss. 313(c), TIA ss. 314(a) and TIA ss. 315(b), shall be mailed to him, first-class postage prepaid, at his address as it appears on the registration books of the Registrar and shall be deemed given to him if so mailed within the time prescribed.

Failure to mail a notice or communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders. Except for a notice to the Trustee or the Company, which is deemed given only when received, if a notice or communication is sent in the manner provided above, it is duly given, whether or not the addressee receives it.

In case by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impossible to mail any notice as required by this Indenture, then such method of notification as shall be made with the approval of the Trustee shall constitute a sufficient mailing of such notice.

SECTION 11.3 Communications by Holders with Other Holders.

Noteholders may communicate pursuant to TIA ss. 312(b) with other Noteholders with respect to their rights under this Indenture or the Notes. The Company, the Guarantor, the Trustee, the Registrar and any other Person shall have the protection of TIA ss. 312(c).

SECTION 11.4 Certificate and Opinion of Counsel as to Conditions Precedent.

Upon any request or application by the Company to the Trustee or the Escrow Agent to take any action under this Indenture, the Company, shall furnish to the Trustee or the Escrow Agent, as the case may be, (a) an Officers' Certificate in form and substance satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture and the Escrow Agreement relating to the proposed action have been complied with, (b) an Opinion of Counsel in form and substance satisfactory to the Trustee stating that, in the opinion of counsel, all such conditions have been complied with and (c) where applicable, a certificate or opinion by an

accountant that complies with TIA ss. 314(c).

SECTION 11.5 Statements Required in Certificate and Opinion of Counsel.

Each certificate and Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture and the Escrow Agreement shall include:

(a) a statement that the Person making such certificate or Opinion of Counsel has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate or Opinion of Counsel are based;

(c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

In giving such Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

SECTION 11.6 Rules by Trustee, Paying Agent, Registrar.

The Trustee may make reasonable rules in accordance with the Trustee's customary practices for action by or at a meeting of Noteholders. The Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 11.7 Legal Holidays.

If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

SECTION 11.8 Governing Law.

The internal laws of the State of New York shall govern this Indenture and the Notes without giving effect to principles of conflicts of laws. The Trustee, the Company, the Guarantor and the Holders agree to submit to the jurisdiction of the courts of the State of New York in any action or

proceeding arising out of or relating to this Indenture or the Notes.

SECTION 11.9 No Recourse Against Others.

A trustee, director, officer, employee, stockholder or incorporator, as such, of the Company or the Guarantor shall not have any liability for any obligations of the Company under the Notes, this Indenture or any Notes or for any claim based on, in respect of or by reason of such obligations or their creation, either directly or through the Company or any successor Person or by virtue of any statute or other rule of law. Each Noteholder by accepting a Note waives and releases all such liability.

SECTION 11.10 Successors.

All agreements of the Company in this Indenture, the Notes and the Escrow Agreement shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 11.11 Duplicate Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 11.12 Separability.

In case any provision in this Indenture, the Notes or the Escrow Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and a Holder shall have no claim therefor against any party hereto.

SECTION 11.13 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan, security or debt agreement of the Company or any Subsidiary thereof. No such indenture, loan, security or debt agreement may be used to interpret this Indenture.

SECTION 11.14 Table of Contents, Headings, Etc.

The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, and are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

RENAISSANCE COSMETICS, INC.,
as issuer

By: /s/ Thomas Kaung

Name: Thomas Kaung
Title: Chief Financial Officer

ATTEST:

/s/ John R. Jackson

Name: John R. Jackson
Title: Vice President, General Counsel

RENAISSANCE GUARANTOR, INC.,
as guarantor

By: /s/ Thomas Kaung

Name: Thomas Kaung
Title: Chief Financial Officer

ATTEST:

/s/ John R. Jackson

Name: John R. Jackson
Title: Vice President, General Counsel

UNITED STATES TRUST COMPANY OF
NEW YORK, as trustee

By: /s/ Gerard F. Ganey

Name: GERARD F. GANEY
Title: SR VICE PRESIDENT

ATTEST:

/s/ Margaret M. Ciesmelewski

Name: Margaret M. Ciesmelewski
Title: Assistant Vice President

EXHIBIT A

[FORM OF FACE OF NOTE]

CUSIP 759664-AG-0

RENAISSANCE COSMETICS, INC.

Number US$

11 3/4% SENIOR NOTE DUE 2004

RENAISSANCE COSMETICS, INC., a Delaware corporation (the "Company"), for value received, promises to pay to or registered assigns the principal sum of $ United States dollars on February 15, 2004.

Interest Payment Dates: February 15 and August 15

Record Dates: February 1 and August 1

Reference is made to the further provisions of this Note contained herein, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officers.

RENAISSANCE COSMETICS, INC.

By:

Title:

By:

Title:

Dated:

Certificate of Authentication

This is one of the 11 3/4% Senior Notes due 2004 referred to in the within-mentioned Indenture.

UNITED STATES TRUST COMPANY OF
NEW YORK, as Trustee

By:

Authorized Signatory

[FORM OF REVERSE OF NOTE]

RENAISSANCE COSMETICS, INC.

11 3/4% SENIOR NOTE DUE 2004

1. Interest. Renaissance Cosmetics, Inc., a Delaware corporation (the "Company"), promises to pay, until the principal hereof is paid or made

available for payment, interest on the principal amount set forth on the face hereof at a rate of 11 3/4% per annum. Interest hereon will accrue from and including the most recent date to which interest has been paid or, if no interest has been paid, from and including February 7, 1997 to but excluding the date on which interest is paid. Interest shall be payable in arrears on each February 15 and August 15 commencing August 15, 1997. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal and on overdue interest (to the full extent permitted by law) at a rate of 13 3/4% per annum.

2. Method of Payment. The Company will pay interest hereon (except defaulted interest) to the Persons who are registered Holders at the close of business on February 1 or August 1 next preceding the interest payment date (whether or not a Business Day). Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Interest may be paid by check mailed to the Holder entitled thereto at the address indicated on the register maintained by the Registrar for the Notes.

3. Paying Agent and Registrar. Initially, United States Trust Company of New York (the "Trustee") will act as a Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice. Neither the Company nor any of its Affiliates may act as Paying Agent or Registrar.

4. Indenture. The Company issued the Notes under an Indenture dated as of February 7, 1997 (the "Indenture") among the Company (as defined in the Indenture) and the Trustee. This is one of the Notes of the Company issued under the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code ss.ss. 77aaa-77bbbb), as amended from time to time. The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of them. Capitalized and certain other terms used herein and

not otherwise defined have the meanings set forth in the Indenture. The Notes are obligations of the Company limited in aggregate principal amount to $200.0 million. The Indenture limits, among other things, the ability of the Company and its Subsidiaries to: (i) incur additional Indebtedness; (ii) pay dividends and make distributions; (iii) make certain investments; (iv) create liens; (v) enter into transactions with affiliates; (vi) issue stock of its Subsidiaries; (vii) enter into agreements restricting the ability of such Subsidiaries to pay dividends and make distributions; (viii) enter into sale and leaseback transactions; (ix) merge or consolidate the Company; (x) transfer or sell assets; and (xi) finance certain acquisitions. These covenants are subject to a number of important exceptions. The Company must report to the Trustee quarterly

in compliance with the limitations contained in the Indenture.

5. Optional Redemption. The Company, at its option, may redeem the Notes, in whole or in part, at any time on or after February 15, 2002 upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount), set forth below, together, in each case, with accrued and unpaid interest to the Redemption Date, if redeemed during the twelve month period beginning on February 15 of each year listed below:

Year	Redemption Price
2002.....	103.358%
2003.....	101.679%

Notwithstanding the foregoing, the Company may redeem in the aggregate up to 35% of the original principal amount of Notes at any time and from time to time on or prior to February 15, 2000 at a redemption price equal to 111.75% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon to the Redemption Date with the Net Proceeds of one or more Public Equity Offerings or Strategic Equity Investments; provided, that at least $130.0 million of the principal amount of Notes originally issued remains outstanding immediately after the occurrence of any such redemption and that any such redemption occurs within 90 days following the closing of any such Public Equity Offering or Strategic Equity Investment.

6. Notice of Redemption. Notice of redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed at his registered address. On and after the Redemption Date, unless the Company defaults in making the redemption payment, interest

ceases to accrue on Notes or portions thereof called for redemption.

7. Offers to Purchase. The Indenture provides that upon the occurrence of a Change of Control or an Asset Sale and subject to further limitations contained therein, the Company shall make an offer to purchase outstanding Notes in accordance with the procedures set forth in the Indenture.

8. Registration Rights. Pursuant to a Registration Rights Agreement between the Company and CIBC Wood Gundy Securities Corp., as initial purchaser of the Notes, the Company will be obligated to consummate an exchange offer pursuant to which the Holder of this Note shall have the right to exchange this Note for notes of a separate series issued under the Indenture (or a trust indenture substantially identical to the Indenture in accordance with the terms of the Registration Rights Agreement) which have been registered under the Securities Act, in like principal amount and having substantially identical terms as the Notes. The Holders shall be entitled to receive certain additional interest payments in the event such exchange offer is not consummated and upon

certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.

9. Disbursement of Funds; Escrow Account. The Company has transferred approximately $17.5 million of the net proceeds from the offering of the Notes to the Guarantor in exchange for the Subsidiary Guarantee. The Guarantor has placed such amount into an Escrow Account for the benefit of the holders of the Notes. Until disbursed in accordance with the Escrow Agreement and the Indenture, the Escrow Account is designed to provide security for a portion of the Company's obligations under the Notes for the first two years after the Issue Date. In addition, the Indenture provides that, (i) so long as no Default or Event of Default has occurred and is continuing, the Guarantor is obligated to pay to the Trustee for the benefit of the holders of the Notes, on each interest payment date, an amount equal to the amount of interest then due on $79.0 million aggregate principal amount of the Notes (such amount, the "Interest Portion") and (ii) upon the occurrence and during the continuation of a Default or an Event of Default, the Guarantor must pay the full amount of interest on the Notes at the regular, pre-default rate, as the same becomes due and payable, unless paid from another source. The Escrow Agreement provides, among other things, that funds will be disbursed from the Escrow Account (i) on any interest payment date, to pay the Interest Portion and (ii) upon a Default or an Event of Default, to pay the full amount due on the Notes under the Subsidiary Guarantee. Pending such disbursement, the Company will cause all the

funds contained in the Escrow Account to be invested in Temporary Cash Investments. Interest earned on these Temporary Cash Investments will be added to the Escrow Account. The Indenture provides that the proceeds of the Escrow Account will be applied first to the payment of interest on the Notes so long as interest thereon is due or will become due under the Notes and that only in the event that interest is no longer due and will not become due (whether because the full principal amount of the Notes is to be repaid or otherwise) will the proceeds of the Escrow Account be applied to principal or premium, if any.

10. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay to it any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Notes or portion of a Note selected for redemption, or transfer or exchange any Notes for a period of 15 days before a mailing of notice of redemption.

11. Persons Deemed Owners. The registered Holder of this Note may be treated as the owner of this Note for all purposes.

12. Unclaimed Money. If money for the payment of principal or interest

remains unclaimed for two years, the Trustee will pay the money back to the Company at its written request. After that, Holders entitled to the money must look to the Company for payment as general creditors unless an "abandoned property" law designates another Person.

13. Amendment, Supplement, Waiver, Etc. The Company, the Guarantor and the Trustee (if a party thereto) may, without the consent of the Holders of any outstanding Notes, amend, waive or supplement the Indenture or the Notes for certain specified purposes, including, among other things, curing ambiguities, defects or inconsistencies, maintaining the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, and making any change that does not materially and adversely affect the rights of any Holder. Other amendments and modifications of the Indenture or the Notes may be made by the Company, the Guarantor and the Trustee with the consent of the Holders of not less than a majority of the aggregate principal amount of the outstanding Notes, subject to certain exceptions requiring the consent of the Holders of the particular Notes to be affected.

14. Successor Corporation. When a successor corporation assumes all the obligations of its predecessor under the Notes and the Indenture and the transaction complies with the terms of Article V of the Indenture, the predecessor corporation will, except as provided in Article V, be released from those obligations.

15. Defaults and Remedies. Events of Default are set forth in the Indenture. Subject to certain limitations in the Indenture, if an Event of Default (other than an Event of Default specified in Section 6.1(a)(vi) or (vii) of the Indenture with respect to the Company) occurs and is continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may, by written notice to the Trustee and the Company, and the Trustee upon the request of the Holders of not less than 25% in aggregate principal amount of the outstanding Notes shall, declare all principal of and accrued interest on all Notes to be immediately due and payable. If an Event of Default specified in Section 6.1(a)(vi) or (vii) of the Indenture occurs with respect to the Company, the principal amount of and interest on, all Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal or interest) if it determines that withholding notice is in their interests. The Company must furnish an annual compliance certificate to the Trustee.

16. Trustee Dealings with Company. The Trustee, in its individual or any

other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not Trustee.

17. No Recourse Against Others. A trustee, director, officer, employee, stockholder or incorporator, as such, of the Company or the Guarantor shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation, either directly or through the Company or any successor Person or by virtue of any statute or other rule of law. Each Holder,

by accepting a Note, waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

18. Discharge. The Company's obligations pursuant to the Indenture will be discharged, except for obligations pursuant to certain sections thereof, subject to the terms of the Indenture, upon the payment of all the Notes or upon the irrevocable deposit with the Trustee of United States dollars or U.S. Government Obligations sufficient to pay when due principal of and interest on the Notes to maturity or redemption, as the case may be.

19. Guarantee; Security. The Note is initially entitled to the benefits of the Subsidiary Guarantee of the Guarantor. Upon the terms and subject to the conditions set forth in the Indenture, the Guarantor has unconditionally guaranteed that the principal of, and premium, if any, interest and Additional Interest, if any, on and any additional amounts, if any, with respect to the Notes will be duly and punctually paid in full when due, whether at maturity, by acceleration or otherwise, and interest on overdue principal, premium, if any, and (to the extent permitted by law) interest on any interest or Additional Interest, if any, on the Notes and all other Obligations of the Company to the Holders under the Notes or the Indenture (including fees, expenses or other Obligations) will be promptly paid in full or performed. The Subsidiary Guarantee constitutes a limited guarantee by the Guarantor of all sums due under the Notes limited in amount to the value of the property held in the Escrow Account. The Guarantor shall be released from the Subsidiary Guarantee upon the terms and subject to the conditions set forth in the Indenture. Reference is hereby made to Article X of the Indenture and to Exhibit G to the Indenture for the terms of the Subsidiary Guarantee. The Guarantor's obligations under the Subsidiary Guarantee are secured by a first priority security interest in the Escrow Account and the Temporary Cash Investments held therein.

20. Authentication. This Note shall not be valid until the Trustee signs the certificate of authentication on the other side of this Note.

21. Governing Law. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN THIS SENIOR NOTE WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. The Trustee,

the Company, the Guarantor and the Holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Indenture or the Notes.

22. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TENANT (= tenants

by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

RENAISSANCE COSMETICS, INC.
955 Massachusetts Avenue
Cambridge, Massachusetts 02139
Attention: John R. Jackson

ASSIGNMENT

I or we assign and transfer this Note to:

(Insert assignee's social security or tax I.D. number)

(Print or type name, address and zip code of assignee)

and irrevocably appoint:

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him.

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have all or any part of this Note purchased by the Company pursuant to Section 4.13 or Section 4.15 of the Indenture, check the appropriate box:

[ ] Section 4.13 [ ] Section 4.15

If you want to have only part of the Note purchased by the Company pursuant to Section 4.13 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$

(multiple of $1,000)

Date:

Your Signature:

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

Signature Guaranteed

EXHIBIT B

[FORM OF LEGEND FOR 144A NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE ACT) OR (B) IT IS AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE ACT) (AN "ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, (2) AGREES THAT IT WILL NOT WITHIN THREE YEARS AFTER THE ORIGINAL ISSUANCE OF THIS NOTE RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (C) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE ACT, (D) INSIDE THE UNITED STATES TO AN ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (E) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE ACT OR (F) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE ACT (IF AVAILABLE) (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THREE YEARS AFTER ORIGINAL ISSUANCE OF THIS NOTE, IF THE PROPOSED TRANSFEREE IS AN ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE ACT.

[FORM OF ASSIGNMENT FOR 144A NOTE]

I or we assign and transfer this Note to:

(Insert assignee's social security or tax I.D. number)

(Print or type name, address and zip code of assignee)

and irrevocably appoint:

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him.

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.17 of the Indenture shall have been satisfied.

Date: _____ Your Signature: _____

_____

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

Signature Guarantee:

_____

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

NOTICE: To be executed by an executive officer

EXHIBIT C

[FORM OF LEGEND FOR REGULATION S NOTE]

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS REGISTERED UNDER THE SECURITIES ACT OR EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

[FORM OF ASSIGNMENT FOR REGULATION S NOTE]

I or we assign and transfer this Note to:

(Insert assignee's social security or tax I.D. number)

(Print or type name, address and zip code of assignee)

and irrevocably appoint:

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him.

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.17 of the Indenture shall have been satisfied.

Date: _____ Your Signature: _____

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

Signature Guarantee:

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: ----------

NOTICE: To be executed by an executive officer

EXHIBIT D

[FORM OF LEGEND FOR GLOBAL NOTE]

Any Global Note authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Note) in substantially the following form:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

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

EXHIBIT E

Form of Certificate to Be
Delivered in Connection with
Transfers to Non-QIB Accredited Investors

----------, ----

Attention:

Re: Renaissance Cosmetics, Inc.
(the "Company")

11 3/4% Senior Notes
due 2004 (the "Notes")

Dear Sirs:

In connection with our proposed purchase of Notes, we confirm that:

1. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of , 1997 relating to the Notes and we agree to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the Notes have not been registered under the Securities Act, and that the Notes may not be offered, sold, pledged or otherwise transferred except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes, we will do so only (i) to the Company or any subsidiary thereof, (ii) pursuant to an effective registration statement under the Securities Act, (iii) in accordance with Rule 144A under the Securities Act to a "qualified

institutional buyer" (as defined in Rule 144A), (iv) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes, (v) outside the United States to persons other than U.S. persons in offshore transactions meeting the requirements of Rule 904 of Regulation S under the Securities Act, or (vi) pursuant to any other exemption from registration under the Securities Act (if available), and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

3. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to

be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting each are able to bear the economic risk of our or their investment, as the case may be.

5. We are acquiring the Notes purchased by us for our account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferee]

By: _____
Authorized Signature

EXHIBIT F

Form of Certificate to Be Delivered
in Connection with Transfers
Pursuant to Regulation S

_____, ____

Attention:

Re: Renaissance Cosmetics, Inc.
(the "Company")
11 3/4% Senior Notes
due 2004 (the "Notes")

Dear Sirs:

In connection with our proposed sale of $_____ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(1) the offer of the Notes was not made to a U.S. person or to a person in the United States;

(2) either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) we have advised the transferee of the transfer restrictions applicable to the Notes.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested

party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: _____
Authorized Signature

EXHIBIT G

[FORM OF GUARANTEE]

The undersigned (the "Guarantor") hereby unconditionally guarantees, to the extent set forth in the Indenture dated as of February 7, 1997 by and among Renaissance Cosmetics, Inc., as issuer, the Guarantor, as guarantor, and United States Trust Company of New York, as Trustee (as amended, restated or supplemented from time to time the "Indenture"), and subject to the provisions of the Indenture, (a) the due and punctual payment of the principal of and interest on the Notes, whether at maturity, by acceleration or otherwise, the due and punctual payment of interest on overdue principal, and, to the extent permitted by law, interest, and the due and punctual performance of all other obligations of the Company to the Noteholders or the Trustee, all in accordance with the terms set forth in Article X of the Indenture, and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

The obligations of the Guarantor to the Noteholders and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly set forth in Article X of the Indenture and reference is hereby made to the Indenture for the precise terms and limitations of this Subsidiary Guarantee.

RENAISSANCE GUARANTOR, INC.

By:

Name:

Title:

ESCROW AND DISBURSEMENT AGREEMENT

This ESCROW AND DISBURSEMENT AGREEMENT (this "Agreement"), dated as of February 7, 1997, among United States Trust Company of New York, as escrow agent (in such capacity, the "Escrow Agent"), United States Trust Company of New York, as trustee (in such capacity, the "Trustee") under the Indenture (as defined herein), Renaissance Cosmetics, Inc., a Delaware corporation (the "Company"), and Renaissance Guarantor, Inc., a Delaware corporation (the "Guarantor").

RECITALS

A. The Indenture, dated as of February 7, 1997 (the "Indenture"), among the Company, the Guarantor and the Trustee, provides for the issuance of $200.0 million aggregate principal amount of 11 3/4% Senior Notes due 2004 (the "Notes").

B. The Indenture provides for a limited guarantee by the Guarantor of the Company's obligations under the Notes and the Indenture to the extent of the value of the property owned by the Guarantor (the "Subsidiary Guarantee").

C. As security for its obligations under the Subsidiary Guarantee and the Indenture and as a source of payment therefor, the Guarantor hereby grants to the Trustee, for the benefit of the holders of the Notes, a security interest, subject to and pending disbursements made pursuant to this Agreement, in the Escrow Account (as defined herein).

D. The parties have entered into this Agreement in order to set forth the conditions upon which, and the manner in which, funds will be disbursed from the Escrow Account and released from the security interest and lien described above.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows;

1. Defined Terms. (a) In addition to any other defined terms used herein, the following terms shall constitute defined terms for purposes of this Agreement and shall have the meanings set forth below:

"Applied" means that disbursed funds have been applied (i) first, to the payment of interest on the Notes so long as interest thereon is due or will become due under the Notes; (ii) only in the event that interest is no longer due and will not become due (whether because the full principal amount of the

Notes is to be

repaid or otherwise), to the payment of principal of and premium, if any, on the Notes, upon a purchase or redemption thereof in accordance with Section 3.1 or Section 4.15 of the Indenture; or (iii) to any combination of the foregoing consistent with clauses (i) and (ii).

"Available Funds" means (A) the sum of (i) the Initial Escrow Amount and (ii) interest earned or dividends paid on the funds in the Escrow Account (including holdings of Temporary Cash Investments), less (B) the aggregate disbursements previously made pursuant to this Agreement.

"Collateral" shall have the meaning given in Section 6(a) hereof.

"Current UCC" means the Uniform Commercial Code as in effect in the State of New York on the date hereof.

"Eligible Institution" means a commercial banking institution that has combined capital and surplus of not less than $500.0 million or its equivalent in foreign currency, whose debt is rated "A" (or higher) according to Standard & Poor's ("S&P") or Moody's Investors Service, Inc. ("Moody's") at the time as of which any investment or rollover therein is made.

"Escrow Account" shall mean an escrow account established pursuant to Section 2 hereof.

"Escrow Account Statement" shall have the meaning given in Section 2(f) hereof.

"Indenture" has the meaning provided in the Recitals.

"Initial Escrow Amount" shall mean $17.5 million of the net proceeds from the offering of the Notes.

"Notes" has the meaning provided in the Recitals.

"Payment Notice and Disbursement Request" means a notice sent by the Trustee to the Escrow Agent notifying the Escrow Agent of an upcoming Interest Payment Date or other payment date in respect of the Notes and requesting a disbursement, in substantially the form of Exhibit A hereto. Each Payment Notice and Disbursement Request shall be signed by an officer of the Trustee designated in a certificate of the Trustee setting forth specimen signatures of authorized officers delivered to the Escrow Agent.

"Revised UCC" means the Uniform Commercial Code as revised in accordance with

Revised Article 8, Investment Securities (With Conforming Miscellaneous Amendments to Articles 1, 3, 4, 5, 9 and 10) 1994 Official Text.

(b) The following terms shall have the meanings given in the Indenture:

"Affiliate"

"Default"

"Event of Default"

"Interest Payment Date"

"Issue Date"

"Opinion of Counsel"

"Temporary Cash Investments"

"TIA"

2. Escrow Account; Escrow Agent.

(a) Appointment of Escrow Agent. The Guarantor and the Trustee hereby appoint the Escrow Agent, and the Escrow Agent hereby accepts appointment, as escrow agent, under the terms and conditions of this Agreement.

(b) Establishment of Escrow Account. Concurrently with the execution and delivery hereof, the Escrow Agent shall establish the Escrow Account at its office located at 114 West 47th Street, New York, New York 10036-1532. Subject to Section 3, Section 5 and the other terms and conditions of this Agreement, all funds accepted by the Escrow Agent pursuant to this Agreement shall be held for the benefit of the holders of the Notes. All such funds shall be held in the Escrow Account until disbursed in accordance with the terms hereof. The Escrow Account shall be under the sole and exclusive possession, dominion and control of the Escrow Agent for the benefit of the holders of the Notes. Concurrently with the execution and delivery hereof, the Guarantor shall deliver the Initial Escrow Amount to the Escrow Agent for deposit into the Escrow Account against the Escrow Agent's written acknowledgment and receipt of the Initial Escrow Amount.

(c) Escrow Agent Compensation. The Guarantor shall pay to the Escrow Agent such compensation for services to be performed by it under this Agreement as the

Guarantor and the Escrow Agent may agree in writing from time to time. The Escrow Agent shall be entitled to disburse from the Escrow Account all such amounts due to the Escrow Agent as agreed upon by the Guarantor and the Escrow Agent (including the reasonable expenses described in the next succeeding paragraph); provided, however, that the Escrow Agent shall give written notice to the Guarantor at least five business days prior to any such disbursement.

The Guarantor shall reimburse the Escrow Agent upon request for all reasonable expenses, disbursements, and advances incurred or made by the Escrow Agent in implementing any of the provisions of this Agreement, including compensation and the reasonable expenses and disbursements of its counsel, except any such expense, disbursement, or advance as may arise from its gross negligence or willful misconduct.

(d) Investment of Funds in Escrow Account. Funds deposited in the Escrow Account shall be invested and reinvested upon the following terms and conditions:

(i) Acceptable Investments. All funds deposited in the Escrow Account shall be initially invested by the Escrow Agent in interest bearing deposit accounts in banking institutions having their banking offices in the State of New York and Temporary Cash Investments in accordance with the Guarantor's written instructions to the Escrow Agent. Thereafter, the Escrow Agent shall invest all funds (including proceeds of any such investments at maturity and interest earned and dividends paid on any such investments) in the Escrow Account in cash items or Temporary Cash Investments as instructed by the Guarantor in writing from time to time. All Temporary Cash Investments shall be assigned to and held in the possession of, or, in the case of Temporary Cash Investments maintained in book-entry form with the Federal Reserve Bank, transferred to a book-entry account in the name of, the Escrow Agent, for the benefit of the holders of the Notes (subject to Section 3 and Section 5), with such guarantees as are customary, except that Temporary Cash Investments maintained in book-entry form with the Federal Reserve Bank shall be transferred to a book-entry account in the name of the Escrow Agent at the Federal Reserve Bank that includes only Temporary Cash Investments held by the Escrow Agent for its customers and segregated by separate recordation in the books and records of the Escrow Agent, subject to the provisions of Section 5 hereof.

(ii) Security Interest in Investments. No investment of funds in the Escrow Account shall be made unless the Guarantor has certified to the Escrow Agent and the Trustee that, upon such investment, the Trustee will

have a first priority perfected security interest in the applicable investment. A certificate as to a class of investments need not be issued

with respect to individual investments in securities in that class if the certificate applicable to the class remains accurate with respect to such individual investments. On the date hereof, and on each anniversary of the Issue Date thereafter until the date upon which the balance of the Available Funds shall have been reduced to zero, each of the Trustee and the Escrow Agent shall receive an Opinion of Counsel to the Company, dated the date hereof or thereof, as the case may be, to the effect that the Escrow Agreement creates a valid, perfected first priority security interest in the Escrow Account and the collateral in favor of the Trustee for the benefit of the holders of the Notes. Such opinion shall meet the requirements of Section 314(b) of the TIA.

(iii) Interest and Dividends. All interest earned and dividends paid on funds invested in Temporary Cash Investments shall be deposited in the Escrow Account as additional Collateral for the benefit of the holders of the Notes (subject to Section 3 and Section 5) and shall be reinvested in accordance with the terms hereof at the Guarantor's written instruction.

(iv) Limitation on Escrow Agent's Responsibilities. The Escrow Agent's sole responsibilities under this Section 2 shall be (A) to retain possession of certificated Temporary Cash Investments (except, however, that the Escrow Agent may surrender possession to the issuer of any such Temporary Cash Investments for the purposes of effecting assignment, crediting interest, or reinvesting such security or reducing such security to cash) and to be the registered or designated owner of Temporary Cash Investments which are not certificated, (B) to follow the Guarantor's written instructions given in accordance with Section 2(d)(i) hereof, (C) to invest and reinvest funds pursuant to this Section 2(d) and (D) to use reasonable efforts to reduce to cash such Temporary Cash Investments as may be required to fund any disbursement in accordance with Section 3 hereof. In connection with clause (A) above, the Escrow Agent will maintain continuous exclusive possession, dominion and control in the State of New York of certificated Temporary Cash Investments (which should be endorsed in blank) and cash included in the Collateral and will cause uncertificated Temporary Cash Investments to be registered in the book-entry system of, and

transferred to an account of the Escrow Agent or a sub-agent of the Escrow Agent at, the Federal Reserve Bank of New York.

(e) Substitution of Escrow Agent. The Escrow Agent may resign by giving no less than 30 days' prior written notice to the Guarantor and the Trustee. Such resignation shall take effect upon the later to occur of (i) delivery of all funds and Temporary Cash Investments maintained by the Escrow Agent hereunder and copies of all books, records, plans and other documents in the Escrow Agent's possession relating to such funds or Temporary Cash Investments or this Agreement to a successor escrow agent mutually approved by the Guarantor and the

Trustee (which approvals shall not be unreasonably withheld) and (ii) the Guarantor, the Trustee and such successor escrow agent entering into this Agreement or any written successor agreement no less favorable to the interests of the holders of the Notes and the Trustee than this Agreement; and the Escrow Agent shall thereupon be discharged of all obligations under this Agreement and shall have no further duties, obligations or responsibilities in connection herewith. If a successor escrow agent has not been appointed or has not accepted such appointment within 30 days after notice of resignation is given to the Guarantor, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent.

(f) Escrow Account Statement. Each month, the Escrow Agent shall deliver to the Guarantor and the Trustee a statement signed by the Escrow Agent in a form satisfactory to the Guarantor and the Trustee setting forth with reasonable particularity the balance of funds then in the Escrow Account and the manner in which such funds are invested (the "Escrow Account Statement"). The parties hereto irrevocably instruct the Escrow Agent that on the first date upon which the balance in the Escrow Account (including the holdings of all Temporary Cash Investments) is reduced to zero, the Escrow Agent shall deliver to the Guarantor and to the Trustee a notice that the balance in the Escrow Account has been reduced to zero.

3. Disbursements.

(a) Payment Notice and Disbursement Request; Disbursements. So long as interest on the Notes is due or will become due under the Notes, the Trustee shall, five business days prior to an Interest Payment Date in respect of the Notes, submit to the Escrow Agent (with a copy to the Guarantor) a completed Payment Notice and Disbursement Request substantially in the form of Exhibit A-1 hereto. In the event (and only in the event) that interest on the Notes is no longer due and will not become due (whether because the full principal amount of the Notes is

to be prepaid or otherwise), the Trustee shall, five business days prior to a date of redemption or purchase pursuant to Section 3.1, Section 4.13 or Section 4.15 of the Indenture in respect of the Notes, submit to the Escrow Agent (with a copy to the Guarantor) a completed Payment Notice and Disbursement Request substantially in the form of Exhibit A-2 hereto.

The Escrow Agent's disbursement pursuant to any Payment Notice and Disbursement Request shall be subject to the satisfaction of the applicable conditions set forth in Section 3(b) hereof. Provided such Payment Notice and Disbursement Request is not rejected by it pursuant to Section 3(b), the Escrow Agent, within two business days following receipt of such Payment Notice and Disbursement Request, shall disburse the funds requested in such Payment Notice and Disbursement Request by wire or book-entry transfer of immediately available funds to the account of the Trustee for the benefit of the holders of the Notes.

The Escrow Agent shall notify the Trustee as soon as reasonably possible (but not later than two business days from the date of receipt of the Payment Notice and Disbursement Request) if any Payment Notice and Disbursement Request is rejected and the reasons therefor. In the event such rejection is based upon nonsatisfaction of the condition in Section 3(b)(i) below, the Trustee shall thereupon resubmit the Payment Notice and Disbursement Request with appropriate changes.

(b) Conditions Precedent to Disbursement. The Escrow Agent's payment of any disbursement shall be made only if: (i) the Trustee shall have submitted, in accordance with the provisions of Section 3(a) herein, a completed Payment Notice and Disbursement Request to the Escrow Agent substantially in the form of Exhibit A with blanks appropriately filled in and (ii) the Escrow Agent shall not have received any notice from the Trustee that as a result of an Event of Default the indebtedness represented by the Notes has been accelerated and has become due and payable (in which event the Escrow Agent shall apply all Available Funds as required by Section 6(b)(iii) hereof).

(c) Disbursements to Company. (i) In the event a portion of the Notes has been retired by the Company such that less than $79.0 million aggregate principal amount of the Notes are outstanding, funds representing the interest payment due on the next following Interest Payment Date on the amount by which $79.0 million exceeds the outstanding aggregate principal amount of the Notes shall, upon the written request of the Company to the Escrow Agent and the Trustee, be paid to the Company upon compliance with the release of collateral provisions of the TIA and upon receipt of a notice relating thereto from the Trustee.

(d) Notwithstanding anything in this Agreement to the contrary, so long as no Default or Event of Default shall have occurred and be continuing, all remaining Available Funds as of February 16, 1999 shall, upon the written request of the Guarantor to the Escrow Agent and the Trustee, be paid to the Guarantor upon compliance with the release of collateral provisions of the TIA and upon receipt of a notice relating thereto from the Trustee.

4. Limitation of the Escrow Agent's Liability; Responsibilities of the Escrow Agent.

(a) The Escrow Agent's responsibility and liability under this Agreement shall be limited as follows: (i) the Escrow Agent does not represent, warrant or guarantee to the holders of the Notes from time to time the performance of the Guarantor; (ii) the Escrow Agent shall have no responsibility to the Guarantor or the holders of the Notes or the Trustee from time to time as a consequence of performance by the Escrow Agent hereunder, except for any gross negligence or willful misconduct of the Escrow Agent; (iii) the Guarantor shall remain solely responsible for all aspects of the Company's business and conduct; and (iv) the Escrow Agent is not obligated to supervise, inspect, or inform the Guarantor or

any third party of any matter referred to above.

(b) No implied covenants or obligations shall be inferred from this Agreement against the Escrow Agent, nor shall the Escrow Agent be bound by the provisions of any agreement beyond the specific term hereof. Specifically and without limiting the foregoing, the Escrow Agent shall in no event have any liability in connection with its investment, reinvestment or liquidation, in good faith and in accordance with the terms hereof, of any funds or Temporary Cash Investments held by it hereunder, including, without limitation, any liability for any delay not resulting from gross negligence or willful misconduct in such investment, reinvestment or liquidation, or for any loss of principal or income incident to any such delay.

(c) The Escrow Agent shall be entitled to rely upon any judicial order or judgment, upon any written opinion of counsel or upon any certification, instruction, notice, or other writing delivered to it by the Guarantor or the Trustee in compliance with the provisions of this Agreement without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of service thereof. The Escrow Agent may act in reliance upon any instrument comporting with the provisions of this Agreement or signature believed by it to be genuine and may assume that any

person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.

(d) At any time the Escrow Agent may request in writing an instruction in writing from the Guarantor, and may at its own option include in such request the course of action it proposes to take and the date on which it proposes to act, regarding any matter arising in connection with its duties and obligations hereunder; provided, however, that the Escrow Agent shall state in such request that it believes in good faith that such proposed course of action is consistent with another identified provision of this Agreement. The Escrow Agent shall not be liable to the Guarantor for acting without the Guarantor's consent in accordance with such a proposal on or after the date specified therein if (i) the specified date is at least five business days after the Guarantor receives the Escrow Agent's request for instructions and its proposed course of action, and (ii) prior to so acting, the Escrow Agent has not received the written instructions requested from the Guarantor.

(e) The Escrow Agent may act pursuant to the written advice of counsel chosen by it with respect to any matter relating to this Agreement and (subject to Section 4(a)(ii)) shall not be liable for any action taken or omitted in accordance with such advice.

(f) The Escrow Agent shall not be called upon to advise any party as to selling or retaining, or taking or refraining from taking any action with

respect to, any securities or other property deposited hereunder.

(g) In the event of any ambiguity in the provisions of this Agreement with respect to any funds or property deposited hereunder, the Escrow Agent shall be entitled to refuse to comply with any and all claims, demands or instructions with respect to such property or funds, and the Escrow Agent shall not be or become liable for its failure or refusal to comply with conflicting claims, demands or instructions. The Escrow Agent shall be entitled to refuse to act until either any conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting claimants as evidenced in a writing, satisfactory to the Escrow Agent, or the Escrow Agent shall have received security or an indemnity satisfactory to the Escrow Agent sufficient to save the Escrow Agent harmless from and against any and all loss, liability or expense which the Escrow Agent may incur by reason of its acting. The Escrow Agent may in addition elect in its

sole option to commence an interpleader action or seek other judicial relief or orders as the Escrow Agent may deem necessary.

(h) No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

5. Indemnity. The Company shall indemnify, hold harmless and defend the Escrow Agent and its directors, officers, agents, employees and controlling persons, from and against any and all claims, actions, obligations, liabilities and expenses, including defense costs, investigative fees and costs, legal fees, and claims for damages, arising from the Escrow Agent's performance under this Agreement, except to the extent that such liability, expense or claim is directly attributable to the gross negligence or willful misconduct of any of the foregoing persons. In connection with any claim, action, obligation, liability or expense for which indemnification is sought by the Escrow Agent hereunder, the Escrow Agent shall be entitled to recover its costs from funds available in the Escrow Account as provided in Section 2(c), provided, however, that the Company agrees to pay such costs if funds in the Escrow Account are insufficient. The provisions of this Section shall survive any termination, satisfaction or discharge of this Agreement as well as the resignation or removal of the Escrow Agent.

6. Grant of Security Interest; Instructions to Escrow Agent.

(a) The Guarantor hereby irrevocably grants a first priority security interest in, pledges, assigns and sets over to the Trustee all of the Guarantor's right, title and interest in the Escrow Account, all funds and financial assets held therein and all Temporary Cash Investments held by (or otherwise maintained in the name of) the Escrow Agent pursuant to Section 2 hereof, as well as all rights of the Guarantor under this Agreement

(collectively, the "Collateral"), in order to secure all the obligations of the Guarantor under the Subsidiary Guarantee and the Indenture and any other obligation, now or hereafter arising, of every kind and nature, owed by the Guarantor under the Subsidiary Guarantee and the Indenture to the holders of the Notes or to the Trustee. The Guarantor shall take all actions necessary on its part to insure the continuance of a first priority security interest in the Collateral in favor of the Trustee in order to secure all such obligations and indebtedness. Each of the Trustee and the Escrow Agent shall have received an opinion from counsel to the Guarantor, on the date hereof, and annually on the anniversary of the Issue Date to the

effect that the Escrow Agreement creates a valid, perfected first priority security interest in favor of the Trustee in the Escrow Account and the Collateral for the benefit of the holders of the Notes.

(b) The Guarantor and the Trustee hereby irrevocably instruct the Escrow Agent to, and the Escrow Agent will: (i)(A) maintain sole and exclusive possession, dominion and control over funds in the Escrow Account for the benefit of the Trustee to the extent specifically required herein, (B) maintain, or cause its agent within the State of New York to maintain, exclusive possession, dominion and control of all certified Temporary Cash Investments purchased hereunder that are physically possessed by the Escrow Agent in order for the Trustee to enjoy a continuous perfected first priority security interest therein under the law of the State of New York (the Guarantor hereby agreeing that in the event any certificated Temporary Cash Investments are in the possession of the Guarantor or a third party, the Guarantor shall use its best efforts to deliver all such certificates to the Escrow Agent), (C) take all steps set forth in the opinion of counsel described in paragraph (a) above to cause the Trustee to enjoy a continuous perfected first priority security interest under the New York Uniform Commercial Code and any applicable law of the State of New York in all Temporary Cash Investments purchased hereunder that are not certificated and (D) maintain the Collateral free and clear of all liens, security interests, safekeeping or other charges, demands and claims against the Escrow Agent of any nature now or hereafter existing in favor of anyone other than the Trustee; (ii) promptly notify the Trustee if the Escrow Agent receives written notice that any person other than the Trustee has a lien or security interest upon any portion of the Collateral (other than any claim which Escrow Agent may have against the Escrow Account for unpaid fees and expenses) and (iii) in addition to disbursing amounts held in escrow pursuant to any Payment Notice and Disbursement Requests given to it by the Trustee pursuant to Section 3, upon receipt of written notice from the Trustee of the acceleration of the maturity of the Notes or the failure by the Guarantor to pay principal or interest (after giving effect to any disbursements hereunder) on the Notes, and direction from the Trustee to disburse all Available Funds to the Trustee, as promptly as practicable, after following the procedures set forth in Section 4(d), disburse all funds held in the Escrow Account to the Trustee and transfer title to all Temporary Cash Investments held by the Escrow Agent

hereunder to the Trustee. The lien and security interest provided for by this Section 6 shall automatically terminate and cease as to, and shall not extend or apply to, and the Trustee shall have no security interest in, any funds disbursed by the Escrow Agent to the Guarantor pursuant to this Agreement. The Escrow Agent shall act solely as the Trustee's agent in connection with the

duties under this Section 6, notwithstanding any other provision contained in this Agreement, without any right to receive compensation from the Trustee and without any authority to obligate the Trustee or to compromise or pledge its security interest hereunder.

(c) The Guarantor will deliver to the Trustee, in due form for filing in state and local filing offices in the State of New York and any other jurisdictions reasonably specified by the Trustee, UCC-1 financing statements for the purpose of perfecting the security interest of the Trustee in the Escrow Account and the financial assets credited to or held in such account and proceeds thereof.

(d) Any funds and Temporary Cash Investments collected by the Trustee pursuant to Section 6(b)(iii) shall be applied as provided in the Indenture.

(e) Upon written demand, the Guarantor will execute and deliver to the Trustee such instruments and documents as the Trustee may reasonably deem necessary or advisable to confirm or perfect the rights of the Trustee under this Agreement and the Trustee's interest in the Collateral. The Trustee will take all necessary action to preserve and protect the security interest created hereby as a lien and encumbrance upon the Collateral.

(f) The Guarantor hereby appoints the Trustee as its attorney-in-fact effective upon and during the continuance of a Default or an Event of Default under the Indenture with full power of substitution to do any act which the Guarantor is obligated hereunder to do, and the Trustee may exercise such rights as the Company might exercise with respect to the Collateral and to take any action in the Guarantor's name to protect the Trustee's security interest hereunder.

(g) The Guarantor's chief executive office is located at 955 Massachusetts Avenue, Cambridge, Massachusetts 02139. The Guarantor shall give not less than 60 days' prior notice to the Trustee of any change in the location of its chief executive office and any change in the Guarantor's name.

7. Termination. This Agreement shall terminate automatically ten days following disbursement of all funds remaining in the Escrow Account (including Temporary Cash Investments), unless sooner terminated by agreement of the parties hereto (in accordance with the terms hereof and not in violation of the Inden ture); provided, however, that the obligations of the Company under Section 5 (and any existing claims thereunder) shall survive termination of this

Agreement or the resignation of the Escrow Agent; and provided, further, that until such tenth

day, the Company will cause this Agreement (or any permitted successor agreement) to remain in effect and will cause there to be an escrow agent (including any permitted successor thereto) acting hereunder (or under any such permitted successor agreement).

8. Miscellaneous.

(a) Waiver. Any party hereto may specifically waive any breach of this Agreement by any other party, but no such waiver shall be deemed to have been given unless such waiver is in writing, signed by the waiving party and specifically designating the breach waived, nor shall any such waiver constitute a continuing waiver of similar or other breaches.

(b) Invalidity. If for any reason whatsoever any one or more of the provisions of this Agreement shall be held or deemed to be inoperative, unenforceable or invalid in a particular case or in all cases, such circumstances shall not have the effect of rendering any of the other provisions of this Agreement inoperative, unenforceable or invalid, and the inoperative, unenforceable or invalid provision shall be construed as if it were written so as to effectuate, to the maximum extent possible, the parties' intent.

(c) Assignment. This Agreement is personal to the parties hereto, and the rights and duties of any party hereunder shall not be assignable except with the prior written consent of the other parties. Notwithstanding the foregoing, this Agreement shall inure to and be binding upon the parties and their successors and permitted assigns.

(d) Benefit. The parties hereto and their successors and permitted assigns, but no others, shall be bound hereby and entitled to the benefits hereof; provided, however, that the holders of the Notes and their permitted assigns shall be entitled to the benefits hereof and to enforce this Agreement.

(d) Time. Time is of the essence for each provision of this Agreement.

(f) Entire Agreement; Amendments. This Agreement and the Indenture contain the entire agreement among the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and commitments, whether oral or written. This Agreement may be amended only by a writing signed by a duly authorized representative of each party.

(g) Notices. All notices and other communications required or permitted to be given or made under this Agreement sha1l be in writing and shall be deemed to

have been duly given and received, regardless of when and whether received, either: (a) on the day of hand delivery; (b) three business days following the day sent, when sent by United States certified mail, postage and certification fee prepaid, return receipt requested, addressed as follows; (c) when transmitted by telecopy with verbal confirmation of receipt by the telecopy operator; or (d) one business day following the day timely delivered to a next-day air courier:

To Escrow Agent:

United States Trust Company of New York
114 West 47th Street
New York, New York 10036-1532

Attention: Corporate Trust Department
Telecopy: 212-852-1625
Telephone: 212-852-1000

To Trustee:

United States Trust Company of New York
114 West 47th Street
New York, New York 10036-1532

Attention: Margaret Ciesmelewski
Telecopy: 212-852-1625
Telephone: 212-852-1673

with a copy to:

Carter, Ledyard & Milburn
2 Wall Street
New York, New York 10005

Attention: Steven A. Meetre
Telecopy: 212-732-3232
Telephone: 212-732-3200

To the Guarantor:

Renaissance Guarantor, Inc.

c/o Renaissance Cosmetics, Inc.
635 Madison Avenue

New York, New York 10022

Attention: Thomas T.S. Kaung, Chief
Financial Officer
Telecopy: 212-371-7868
Telephone: 212-751-3700

with a copy to:

Paul, Weiss, Rifkind, Wharton &
Garrison
1285 Avenue of the Americas
New York, New York 10019

Attention: Mitchell S. Fishman
Telecopy: 212-757-3990
Telephone: 212-373-3000

or at such other address as the specified entity most recently may have designated in writing in accordance with this Section.

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(i) Captions. Captions in this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation of this Agreement.

(j) Choice of Law. The existence, validity, construction, operation and effect of any and all terms and provisions of this Agreement shall be determined in accordance with and governed by the laws of the State of New York. The parties to this Agreement hereby agree that jurisdiction over such parties and over the subject matter of any action or proceeding arising under this Agreement may be exercised by a competent Court of the State of New York, or by a United States Court, sitting in New York City. The Company and the Guarantor hereby submit to the personal jurisdiction of such courts, hereby waive personal service of process upon each of them and consent that any such service of process may be made by certified or registered mail, return-receipt requested, directed to the Company and the Guarantor at each of their addresses last specified for notices hereunder, and service so made shall be deemed completed five days after the same shall have been so mailed, and hereby waives the right to a trial by jury in any action or proceeding with the Escrow Agent. All actions and proceedings brought by the Company and the Guarantor against the

Escrow Agent relating to or arising from, directly or indirectly, this Agreement shall be litigated only in courts within the State of New York.

(k) Each of the Company and the Guarantor hereby represents and warrants that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes the legal, valid and binding obligation of the Company and the Guarantor. The execution, delivery and performance of this Agreement by each of the Company and the Guarantor does not violate any applicable law or regulation to which each of the Company and the Guarantor is subject and does not require the consent of any governmental or other regulatory body to which each of the Company and the Guarantor is subject, except for such consents and approvals as have been obtained and are in full force and effect.

(l) Each of the Escrow Agent and the Trustee hereby represents and warrants that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation.

IN WITNESS WHEREOF, the parties have executed and delivered this Escrow and Disbursement Agreement as of the day first above written.

ESCROW AGENT: UNITED STATES TRUST COMPANY OF NEW YORK

By: /s/ Gerard F. Ganey

Name: GERARD F. GANEY
Title: SR VICE PRESIDENT

TRUSTEE: UNITED STATES TRUST COMPANY OF NEW YORK

By: /s/ Gerard F. Ganey

Name: GERARD F. GANEY
Title: SR VICE PRESIDENT

GUARANTOR: RENAISSANCE GUARANTOR, INC.

By: /s/ Thomas T.S. Kaung

Name: Thomas T.S. Kaung
Title: GVP

COMPANY: RENAISSANCE COSMETICS, INC.

By: /s/ Thomas T.S. Kaung

Name: Thomas T.S. Kaung
Title: GVP

EXHIBIT A-1 TO ESCROW AND DISBURSEMENT AGREEMENT

Form of Payment, Notice and Disbursement Request

(Letterhead of the Trustee)

[Date], 199

Re: Disbursement Request No. ---

(indicate whether revised)

Ladies and Gentlemen:

We refer to the Escrow and Disbursement Agreement, dated as of February 7, 1997 (the "Escrow Agreement"), among you (the "Escrow Agent"), the undersigned, as Trustee, RENAISSANCE COSMETICS, INC., a Delaware corporation (the "Company"), and RENAISSANCE GUARANTOR, INC., a Delaware corporation (the "Guarantor"). Capitalized terms used herein shall have the meanings given in the Escrow Agreement.

This letter constitutes a Payment Notice and Disbursement Request under the Escrow Agreement.

[choose one of the following, as applicable]

[The undersigned hereby (a) notifies you that no Default or Event of Default has occurred and is continuing and a scheduled interest payment is due and payable on , 199 and (b) requests a disbursement of funds contained in the Escrow Account in the amount of $, which represents the interest due on such date on $79.0 million aggregate principal amount of the Notes.]

[The undersigned hereby notifies you that no Default or Event of Default has occurred and is continuing and a scheduled interest payment is due and payable on , 199 of which $ represents the interest due on $79.0 million aggregate principal of the Notes, which amount exceeds the amount of remaining Available Funds in the Escrow Account. Accordingly, you are hereby requested to disburse all remaining funds contained in the Escrow Account such that the balance in the Escrow Account is reduced to zero.]

[The undersigned hereby (a) notifies you that a Default or an Event of Default has occurred and is continuing and a scheduled interest payment is due and payable on _____, 1999_ and (b) requests a disbursement of funds contained in the Escrow Account in the amount of $_____, which represents the interest due on such date on the full outstanding principal amount of the Notes.]

[The undersigned hereby notifies you that a Default or an Event of Default has occurred and is continuing and a scheduled interest payment is due and payable on _____, 199_ in the amount of $_____, which amount exceeds the amount of remaining Available Funds in the Escrow Account. Accordingly, you are hereby requested to disburse all remaining funds contained in the Escrow Account such that the balance in the Escrow Account is reduced to zero.]

[The undersigned hereby (a) notifies you that a portion of the Notes has been retired such that less than $79.0 million aggregate principal amount of the Notes are outstanding and that, other than as part for such payment, no interest on the Notes is due or will become due hereafter and (b) authorizes you to release $ of funds in the Escrow Account to the Company (to an account designated by the Company in writing), which amount represents the interest payment due and payable on , 199 on the amount by which $79.0 million exceeds the outstanding aggregate principal amount of the Notes.]

In connection with the requested disbursement, the undersigned hereby notifies you that:

1. The Notes have [not], as a result of an Event of Default (as defined in the Indenture), been accelerated and become due and payable.

2. All prior disbursements from the Escrow Account have been Applied.

3. [add wire instructions]

The Escrow Agent is entitled to rely on the foregoing in disbursing funds relating to this Payment Notice and Disbursement Request.

By:

Name:
Title:

EXHIBIT A-2 TO ESCROW AND DISBURSEMENT AGREEMENT

Form of Payment, Notice and Disbursement Request

(Letterhead of the Trustee)

[Date], 199

Re: Disbursement Request No. ---

(indicate whether revised)

Ladies and Gentlemen:

We refer to the Escrow and Disbursement Agreement, dated as of February 7, 1997 (the "Escrow Agreement"), among you (the "Escrow Agent"), the undersigned, as Trustee, RENAISSANCE COSMETICS, INC., a Delaware corporation (the "Company"), and RENAISSANCE GUARANTOR, INC., a Delaware corporation (the "Guarantor").

Capitalized terms used herein shall have the meanings given in the Escrow Agreement.

This letter constitutes a Payment Notice and Disbursement Request under the Escrow Agreement.

[choose one of the following, as applicable]

[The undersigned hereby (a) notifies you that a payment of $ is due and payable on , 199 in connection with a purchase or redemption of Notes, plus accrued inter est, if any, pursuant to the provisions of [Section 3.1] [Section 4.13] [Section 4.15] of the Indenture and that, other than as part for such payment, no interest on the Notes is due or will become due hereafter and (b) requests a disbursement of funds contained in the Escrow Account in such amount.] [The undersigned hereby notifies you that a payment of $ is due and payable on , 199 in connection with a purchase or redemption of Notes, plus accrued interest, if any, pursuant to the provisions of [Section 3.1] [Section 4.13] [Section 4.15] of the Indenture, which amount exceeds the amount of remaining Available Funds in the Escrow Account and that, other than as part for such payment, no interest on the Notes is due or will become due hereafter. Accordingly, you are hereby

requested to disburse all remaining funds contained in the Escrow Account such that the balance in the Escrow Account is reduced to zero.]

In connection with the requested disbursement, the undersigned hereby notifies you that:

1. The Notes have [not], as a result of an Event of Default (as defined in the Indenture), been accelerated and become due and payable.

2. All prior disbursements from the Escrow Account have been Applied.

3. [add wire instructions]

The Escrow Agent is entitled to rely on the foregoing in disbursing funds relating to this Payment Notice and Disbursement Request.

By: _____

Name:

Title:

NOTE REGISTRATION RIGHTS AGREEMENT

Dated as of February 7, 1997

by and between

RENAISSANCE COSMETICS, INC.,

and

CIBC WOOD GUNDY SECURITIES CORP.,
as Initial Purchaser

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NOTE REGISTRATION RIGHTS AGREEMENT (the "Agreement") dated as of February 7, 1997, by and between RENAISSANCE COSMETICS, INC., a Delaware corporation (the "Company"), and CIBC WOOD GUNDY SECURITIES CORP., as initial purchaser (the "Initial Purchaser").

This Agreement is entered into in connection with the Securities Purchase Agreement, dated as of February 3, 1997, between the Company and the Initial Purchaser (the "Purchase Agreement") relating to the sale by the Company to the Initial Purchaser of $200.0 million aggregate principal amount of % Senior Notes due 2004 (the "Notes"). In order to induce the Initial Purchaser to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement for the benefit of the Initial Purchaser and subsequent Holders of the Registrable Notes. The execution and delivery of this Agreement is a condition to the Initial Purchaser's obligation to purchase the Notes under the Purchase Agreement.

The parties hereby agree as follows:

1. Definitions

As used in this Agreement, the following terms shall have the following meanings:

Additional Interest: See Section 4(a).

Advice: See Section 5.

Agreement: See the first introductory paragraph of this Agreement.

Applicable Period: See Section 2(b).

Business Day: Any day except a Saturday or Sunday or a day on which banking institutions in New York, New York are required or authorized by law or other governmental action to be closed.

Closing: See the Purchase Agreement.

Company: See the first introductory paragraph to this Agreement.

Effectiveness Date: The 135th day after the Issue Date.

Effectiveness Period: See Section 3(a).

Event Date: See Section 4(b).

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Exchange Notes: See Section 2(a).

Exchange Offer: See Section 2(a).

Exchange Registration Statement: See Section 2(a).

Filing Date: The 45th day after the Issue Date.

Holder: Any holder of a Registrable Note or Registrable Notes.

Indemnified Person: See Section 7(c).

Indemnifying Person: See Section 7(c).

Indenture: The Indenture, dated as of , 1997, between the Company and , as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms thereof.

Initial Purchaser: See the first introductory paragraph to this Agreement.

Initial Shelf Registration: See Section 3(a).

Inspectors: See Section 5(o).

Issue Date: The date on which the original Notes are sold to the Initial Purchaser pursuant to the Purchase Agreement.

Lien: See the Indenture.

NASD: See Section 5(t).

Notes: See the second introductory paragraph to this Agreement.

Participant: See Section 7(a).

Participating Broker-Dealer: See Section 2(b).

Person: An individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government (including any agency or political subdivision thereof).

Private Exchange: See Section 2(b).

Private Exchange Notes: See Section 2(b).

Prospectus: The prospectus included in any Registration Statement (including, without limitation, any prospectus subject to completion and a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Notes covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

Purchase Agreement: See the second introductory paragraph to this Agreement.

Records: See Section 5(o).

Registrable Notes: The Notes upon original issuance of the Notes and at all times subsequent thereto and, if issued, the Private Exchange Notes, until in the case of any such Notes or any such Private Exchange Notes, as the case may be, (i) a Registration Statement covering such Notes or such Private Exchange Notes has been declared effective by the SEC and such Notes or such Private Exchange Notes, as the case may be, have been disposed of in accordance with such effective Registration Statement, (ii) such Notes or such Private Exchange Notes, as the case may be, are sold in compliance with Rule 144, (iii) in the case of any Note, such Note has been exchanged for an Exchange Note or

Exchange Notes pursuant to an Exchange Offer or (iv) such Notes or such Private Exchange Notes, as the case may be, cease to be outstanding.

Registration Default: See Section 4(a).

Registration Statement: Any registration statement of the Company, including, but not limited to, the Exchange Registration Statement, which covers any of the Registrable Notes pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

Rule 144: Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

Rule 144A: Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

Rule 415: Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation

hereafter adopted by the SEC.

SEC: The Securities and Exchange Commission.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Shelf Notice: See Section 2(c).

Shelf Registration: See Section 3(b).

Subsequent Shelf Registration: See Section 3(b).

TIA: The Trust Indenture Act of 1939, as amended.

Trustee: The trustee under the Indenture and, if existent, the trustee under any indenture governing the Exchange Notes and Private Exchange Notes (if any).

Underwritten registration or underwritten offering: A registration in which securities of the Company are sold to an underwriter(s) for reoffering to the public.

2. Exchange Offer

(a) The Company agrees to file with the SEC as soon as practicable after the Closing, but in no event later than the Filing Date, an offer to exchange (the "Exchange Offer") any and all of the Registrable Notes for a like aggregate principal amount of debt securities of the Company which are identical to the Notes (the "Exchange Notes") (and which are entitled to the benefits of the Indenture or a trust indenture which is substantially identical to the Indenture (other than such changes to the Indenture or any such identical trust indenture as are necessary to comply with any requirements of the SEC to effect or maintain the qualification thereof under the TIA) and which, in either case, has been qualified under the TIA), except that the Exchange Notes shall have been registered pursuant to an effective Registration Statement under the Securities Act. The Exchange Offer will be registered under the Securities Act on the appropriate form (the "Exchange Registration Statement") and will comply with all applicable tender offer rules and regulations under the Exchange Act. The Company agrees to use its best efforts to (x) cause the Exchange Registration Statement to become effective under the Securities Act on or before the Effectiveness Date; (y) keep the Exchange Offer open for at least 30 days (or longer if required by applicable law) after the date that notice of the Exchange Offer is first mailed to Holders; and (z) consummate the Exchange Offer on or prior to the 60th day following the date on which the Exchange Registration Statement is declared effective (or, if such day is not a Business Day, the next succeeding Business Day). If after such Exchange Registration

Statement is initially declared effective by the SEC, the Exchange Offer or the issuance of the Exchange Notes thereunder is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Exchange Registration Statement shall be deemed not to have become effective for purposes of this agreement. Each Holder who participates in the Exchange Offer will be required to represent that any

Exchange Notes received by it will be acquired in the ordinary course of its business, that at the time of the consummation of the Exchange Offer such Holder will have no arrangement or understanding with any person to participate in the distribution of the Exchange Notes, and that such Holder is not an affiliate of the Company within the meaning of Rule 405 promulgated under the Securities Act or if it is such an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act, to the extent applicable. Upon consummation of the Exchange Offer in accordance with this Section 2, the provisions of this Agreement shall continue to apply, mutatis mutandis, solely with respect to Registrable Notes that are Private Exchange Notes and Exchange Notes held by Participating Broker-Dealers (as defined below), and the Company shall have no further obligation to register Registrable Notes (other than Private Exchange Notes) pursuant to Section 3 of this Agreement.

(b) The Company shall include within the Prospectus contained in the Exchange Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchaser, which shall contain a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act) of Exchange Notes received by such broker-dealer in the Exchange Offer (a "Participating Broker-Dealer"), whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the reasonable judgment of the Initial Purchaser, represent the prevailing views of the staff of the SEC. Such "Plan of Distribution" section shall also allow the use of the Prospectus by all persons subject to the prospectus delivery requirements of the Securities Act, including all Participating Broker-Dealers, and include a statement describing the means by which Participating Broker-Dealers may resell the Exchange Notes.

The Company shall use its best efforts to keep the Exchange Registration Statement effective and to amend and supplement the Prospectus contained therein, in order to permit such Prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Notes, provided, that such period shall not

exceed 180 days (or such longer period if extended pursuant to the last paragraph of Section 5) (the "Applicable Period").

If, prior to consummation of the Exchange Offer, the Initial Purchaser holds any Notes acquired by them and having, or which are reasonably likely to be determined to have, the status as an unsold allotment in the initial distribution, the Company upon the request of the Initial Purchaser shall, simultaneously with the delivery of the Exchange Notes in the Exchange Offer, issue and deliver to the Initial Purchaser, in exchange (the "Private Exchange") for the Notes held by the Initial Purchaser, a like principal amount of debt securities of the Company that are identical in all material respects to the Exchange Notes (the "Private Exchange Notes") (and which are issued pursuant to the same indenture as the Exchange Notes). The Private Exchange Notes shall bear the same CUSIP number as the Exchange Notes. Interest on the Exchange Notes and Private Exchange Notes will accrue from the last interest payment date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the Issue Date.

In connection with the Exchange Offer, the Company shall:

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Registration Statement, together with an appropriate letter of transmittal and related documents;

(ii) utilize the services of a depositary for the Exchange Offer with an address in the Borough of Manhattan, The City of New York; and

(iii) permit Holders to withdraw tendered Notes at any time prior to 5:00 p.m., New York time, on the last business day on which the Exchange Offer shall remain open.

As soon as practicable after the close of the Exchange Offer or the Private Exchange, as the case may be, the Company shall:

(i) accept for exchange all Notes tendered and not validly withdrawn pursuant to the Exchange Offer or the Private Exchange;

(ii) deliver to the Trustee for cancellation all Notes so accepted for exchange; and

(iii) cause the Trustee to authenticate and deliver promptly to each Holder of Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Notes of such Holder so accepted for exchange.

The Exchange Notes and the Private Exchange Notes may be issued under (i) the Indenture or (ii) an indenture substantially identical to the Indenture, which in either event will provide that the Exchange Notes will not be subject to the transfer restrictions set forth in the Indenture and that the Exchange Notes, the Private Exchange Notes and the Notes will vote and consent together on all matters as one class and that neither the Exchange Notes, the Private Exchange Notes nor the Notes will have the right to vote or consent as a separate class on any matter.

(c) If (1) prior to the consummation of the Exchange Offer, the Company or Holders of at least a majority in aggregate principal amount of the Registrable Notes reasonably determine in good faith that (i) the Exchange Notes would not, upon receipt, be tradeable by such Holders which are not affiliates (within the meaning of the Securities Act) of the Company without restriction under the Securities Act and without restrictions under applicable state securities laws, or (ii) after conferring with counsel, the SEC is unlikely to permit the consummation of the Exchange Offer prior to the Effectiveness Date, (2) subsequent to the consummation of the Private Exchange, any holder of the Private Exchange Notes so requests or (3) the Exchange Offer is commenced and not consummated within 180 days of the date of this Agreement, then the Company shall promptly deliver to the Holders and the Trustee written notice thereof (the "Shelf Notice") and shall file an Initial Shelf Registration pursuant to Section 3. Following the delivery of a Shelf Notice to the Holders of Registrable Notes (in the circumstances contemplated by clauses (1) and (3) of the preceding sentence), the Company shall not have any further obligation to conduct the Exchange Offer or the Private Exchange under this Section 2.

(d) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder represents and warrants to the Company that, (A) it is not an affiliate of the Company within the meaning of Rule 405 under the Securities Act, (B) it is not engaged in, and does not

intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer, and (C) it is acquiring the Exchange Notes in its ordinary course of business. Each Holder hereby acknowledges and agrees that any Participating Broker-Dealer and any Holder using the Exchange Offer to participate in a distribution of Exchange Notes (1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in Morgan Stanley and Co., Inc. (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters, and (2) must comply with the registration and prospectus delivery requirements of the Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the

resales are of Notes obtained by such Holder in exchange for Notes acquired by such Holder directly from the Company or an affiliate thereof.

3. Shelf Registration

If a Shelf Notice is delivered as contemplated by Section 2(c), then:

(a) Initial Shelf Registration. The Company shall prepare and file with the SEC a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes (the "Initial Shelf Registration"). If the Company shall have not yet filed an Exchange Registration Statement, the Company shall use its best efforts to file with the SEC the Initial Shelf Registration on or prior to the Filing Date. In any other instance, the Company shall use its best efforts to file with the SEC the Initial Shelf Registration within 30 days of the delivery of the Shelf Notice. The Initial Shelf Registration shall be on Form S-1 or another appropriate form permitting registration of such Registrable Notes for resale by such Holders in the manner or manners designated by them (including, without limitation, one or more underwritten offerings). The Company shall not permit any securities other than the Registrable Notes to be included in the Initial Shelf Registration or any Subsequent Shelf Registration (as defined below). The Company shall use its best efforts to cause the Initial Shelf Registration to be declared effective

under the Securities Act on or prior to the Effectiveness Date and to keep the Initial Shelf Registration continuously effective under the Securities Act until the date which is 36 months from the date on which such Initial Shelf Registration is declared effective (subject to extension pursuant to the last paragraph of Section 5 hereof) (the "Effectiveness Period"), or such shorter period ending when (i) all Registrable Notes covered by the Initial Shelf Registration have been sold in the manner set forth and as contemplated in the Initial Shelf Registration, (ii) a Subsequent Shelf Registration covering all of the Registrable Notes has been declared effective under the Securities Act or (iii) no Registrable Notes remain outstanding.

(b) Subsequent Shelf Registrations. If the Initial Shelf Registration or any Subsequent Shelf Registration ceases to be effective for any reason at any time during the Effectiveness Period (other than because of the sale of all of the securities registered thereunder), the Company shall use its best efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within 45 days of such cessation of effectiveness amend the Shelf Registration in a manner to obtain the withdrawal of the order suspending the effectiveness thereof, or file an additional "shelf" Registration Statement pursuant to Rule 415 covering all of the Registrable Notes (a "Subsequent Shelf Registration"). If a Subsequent Shelf Registration is filed, the Company shall use its best efforts to cause the Subsequent Shelf Registration to be declared effective as soon as practicable

after such filing and to keep such Registration Statement continuously effective for a period equal to the number of days in the Effectiveness Period less the aggregate number of days during which the Initial Shelf Registration or any Subsequent Shelf Registration was previously continuously effective. As used herein the term "Shelf Registration" means the Initial Shelf Registration and any Subsequent Shelf Registration.

(c) Supplements and Amendments. The Company shall promptly supplement and amend the Shelf Registration if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration, if required by the Securities Act, or if requested by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or by the managing underwriter(s) of such Registrable Notes in an underwritten offering.

4. Additional Interest

(a) The Company and the Initial Purchaser agree that the Holders of Registrable Notes will suffer damages if the Company fails to fulfill its obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Company agrees to pay additional interest on the Notes ("Additional Interest") under the circumstances set forth below:

(i) if the Exchange Registration Statement or the Initial Shelf Registration has not been filed on or prior to the Filing Date;

(ii) if the Exchange Registration Statement or the Initial Shelf Registration has not been declared effective on or prior to the Effectiveness Date; or

(iii) if either (A) the Company has not exchanged the Exchange Notes for all Notes validly tendered in accordance with the terms of the Exchange Offer on or prior to 60 days after the date on which the Exchange Registration Statement was declared effective or (B) the Exchange Registration Statement has been declared effective and then ceases to be effective at any time prior to the time that the Exchange Offer is consummated or (C) if applicable, the Shelf Registration has been declared effective and such Shelf Registration ceases to be effective at any time during the Effectiveness Period;

(each such event referred to in clauses (i) through (iii) above is a "Registration Default"), then the sole remedy available to holders of the Notes will be the immediate accrual of Additional Interest as follows: the per annum interest rate on the Notes will increase by 50 basis points; and the per annum interest rate will increase by an additional 25 basis points for each subsequent

90-day period (on the day following such period) during which the Registration Default remains uncured, up to a maximum additional interest rate of 200 basis points per annum, provided, however, that (1) upon the filing of the Exchange Registration Statement or the Initial Shelf Registration (in the case of (i) above), (2) upon the effectiveness of the Exchange Registration Statement or a

Shelf Registration (in the case of (ii) above) or (3) upon the exchange of Exchange Notes for all Notes validly tendered (in the case of (iii)(A) above), or upon the effectiveness of the Exchange Registration Statement which had ceased to remain effective (in the case of (iii)(B) above), or upon the effectiveness of the Shelf Registration which had ceased to remain effective (in the case of (iii)(C) above), Additional Interest on the Notes as a result of such clause (i), (ii) or (iii) (or the relevant subclause thereof), as the case may be, shall cease to accrue and the interest rate on the Notes will revert to the interest rate originally borne by the Notes.

(b) The Company shall notify the Trustee within one business day after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date"). Any amounts of Additional Interest due pursuant to (a)(i), (a)(ii) or (a)(iii) of this Section 4 will be payable in cash semi-annually on each February 15 and August 15 (to the Holders of record on the February 1 and August 1 immediately preceding such dates), commencing with the first such date occurring after any such Additional Interest commences to accrue, by depositing with the Trustee, in trust for the benefit of such Holders, immediately available funds in sums sufficient to pay such Additional Interest. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest rate by the principal amount of the Registrable Notes, multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

5. Registration Procedures

In connection with the registration of any Registrable Notes or Private Exchange Notes pursuant to Section 2 or 3 hereof, the Company shall effect such registrations to permit the sale of such Registrable Notes or Private Exchange Notes in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall:

(a) Prepare and file with the SEC, prior to the Filing Date, a Registration Statement or Registration Statements as prescribed by Section 2 or 3, and use its best efforts to cause each such Registration Statement to become effective and remain effective as provided herein, provided, that, if (1) such filing is pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any

Participating Broker-Dealer who seeks to sell Exchange Notes during the

Applicable Period, before filing any Registration Statement or Prospectus or any amendments or supplements thereto, the Company shall, if requested, furnish to and afford the Holders of the Registrable Notes and each such Participating Broker-Dealer, as the case may be, covered by such Registration Statement, their counsel and the managing underwriter(s), if any, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (at least 5 business days prior to such filing). The Company shall not file any Registration Statement or Prospectus or any amendments or supplements thereto in respect of which the Holders must be afforded an opportunity to review prior to the filing of such document, if the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or such Participating Broker-Dealer, as the case may be, their counsel, or the managing underwriter(s), if any, shall reasonably object.

(b) Prepare and file with the SEC such amendments and post-effective amendments to each Shelf Registration or Exchange Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and comply with the provisions of the Securities Act, the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to them with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus; the Company shall be deemed not to have used its best efforts to keep a Registration Statement effective during the Applicable Period if it voluntarily takes any action that would result in selling Holders of the Registrable Notes covered thereby or Participating Broker-Dealers seeking to sell Exchange Notes not being able to sell such Registrable Notes or such Exchange Notes during that period unless such action is required by applicable law or

unless the Company complies with this Agreement, including without limitation, the provisions of Section 5(c)(v) below.

(c) If (1) a Shelf Registration is filed pursuant to Section 3, or

(2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, notify the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, their counsel and the managing underwriter(s), if any, promptly (but in any event within two business days), and confirm such notice in writing, (i) when a Prospectus or any prospectus supplement or post-effective amendment thereto has been filed, and, with respect to a Registration Statement or any post-effective amendment thereto, when the same has become effective (including in such notice a written statement that any Holder may, upon request, obtain, without charge, one conformed copy of such Registration Statement or post-effective amendment thereto including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any preliminary Prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a Prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Notes the representations and warranties of the Company contained in any agreement (including any underwriting agreement) contemplated by Section 5(n) below cease to be true and correct, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event or any information becoming known that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in, or amendments or supplements to, such Registration Statement, Prospectus or

documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate.

(d) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed

pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its best efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer, for sale in any jurisdiction, and, if any such order is issued, to use its best efforts to obtain the withdrawal of any such order at the earliest possible moment.

(e) If a Shelf Registration is filed pursuant to Section 3 and if requested by the managing underwriter(s), if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold in connection with an underwritten offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment thereto such information as the managing underwriter(s), if any, or such Holders reasonably request to be included therein, (ii) make all required filings of such Prospectus supplement or such post-effective amendment thereto as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment thereto and (iii) supplement or make amendments to such Registration Statement.

(f) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed

pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, furnish to each selling Holder of Registrable Notes and to each such Participating Broker-Dealer who so requests and to counsel and the managing underwriter(s), if any, who so request, without charge, one conformed copy of the Registration Statement or Registration Statements and each post-effective amendment thereto, including financial statements and schedules, and, if requested, all documents incorporated or deemed to be incorporated therein by reference and all exhibits.

(g) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, deliver to each selling Holder of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, their counsel, and the managing underwriter or underwriters, if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of preliminary Prospectus) and each amendment or supplement thereto and any documents incorporated by reference therein as such Persons may

reasonably request; and, subject to the last paragraph of this Section 5, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the managing underwriter or underwriters or agents, if any, and dealers, if any, in connection with the offering and sale of the Registrable Notes covered by or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Notes or any delivery of a Prospectus contained in the Exchange Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during

the Applicable Period, to use its best efforts to register or qualify (to the extent required by applicable law), and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the managing underwriter or underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer, or the managing underwriter or underwriters, if any, reasonably request in writing, provided, that where Exchange Notes held by Participating Broker-Dealers or Registrable Notes are offered other than through an underwritten offering, the Company agrees to cause its counsel to perform Blue Sky investigations and file registrations and qualifications required to be filed pursuant to this Section 5(h); keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Exchange Notes held by Participating Broker-Dealers or the Registrable Notes covered by the applicable Registration Statement; provided, that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or (C) subject itself to taxation in excess of a nominal dollar amount in any such jurisdiction.

(i) If a Shelf Registration is filed pursuant to Section 3, cooperate with the selling Holders of Registrable Notes and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company; and enable such Registrable Notes to be in such denominations and registered in such

names as the managing underwriter or underwriters, if any, or Holders may reasonably request.

(j) Use its best efforts to cause the Registrable Notes covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the managing underwriter or underwriters, if any, to consummate the disposition of such Registrable Notes, except as

may be required solely as a consequence of the nature of such selling Holder's business, in which case the Company will cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals.

(k) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by paragraph 5(c)(v) or 5(c)(vi)
above, as promptly as practicable prepare and (subject to Section 5(a) above) file with the SEC, at the expense of the Company, a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, any such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(l) Use its reasonable best efforts to cause the Registrable Notes covered by a Registration Statement or the Exchange Notes, as the case may be, to be rated with at least one nationally recognized statistical rating agency, if so requested by the Holders of a majority in aggregate principal amount of Registrable Notes covered by such Registration Statement or the Exchange Notes, as the case may be, or the managing underwriter or underwriters, if any.

(m) Prior to the effective date of the first Registration Statement relating to the Registrable Notes, (i) provide the Trustee with printed certificates for the Registrable Notes in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Registrable Notes.

(n) In connection with an underwritten offering of Registrable Notes pursuant to a Shelf Registration, enter into an underwriting agreement as is customary in similar underwritten offerings of debt securities similar to the Notes and take all such other actions as are reasonably requested by the managing underwriter(s), if any, in order to expedite or facilitate the registration or the disposition of such Registrable Notes, and in such connection, (i) make such representations and warranties to the managing underwriter or underwriters on behalf of any underwriters, with respect to the business of the Company and its respective subsidiaries and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, as are customarily made by issuers to underwriters in similar underwritten offerings of debt securities similar to the Notes, and confirm the same if and when requested; (ii) obtain opinions of counsel to the Company and updates thereof in form and substance reasonably satisfactory to the managing underwriter or underwriters, addressed to the managing underwriter or underwriters covering the matters customarily covered in opinions requested in underwritten offerings of debt securities and such other matters as may be reasonably requested by underwriters; (iii) obtain "cold comfort" letters and updates thereof in form and substance reasonably satisfactory to the managing underwriter or underwriters from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of any of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to the managing underwriter or underwriters on behalf of any underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings of debt securities and such other matters as reasonably requested by the managing underwriter or underwriters; and (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable than those set forth in Section 7 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate principal amount of Registrable Notes covered by such Registration Statement and the managing underwriter or underwriters or agents) with respect to all parties to be

indemnified pursuant to said Section. The above shall be done at each closing under such underwriting agreement, or as and to the extent required thereunder.

(o) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed

pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold, or each such Participating Broker-Dealer, as the case may be, the managing underwriter or underwriters participating in any such disposition of Registrable Notes, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its respective subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Company and its respective subsidiaries to supply all information in each case reasonably requested by any such Inspector in connection with such Registration Statement. Records which the Company determines, in good faith, to be confidential and any Records which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a material misstatement or material omission in such Registration Statement, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction or (iii) the information in such Records has been made generally available to the public. Each selling Holder of such Registrable Notes and each such Participating Broker-Dealer or underwriter will be required to agree that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to further agree that it will, upon

learning that disclosure of such Records is sought by a governmental agency or in a court of competent jurisdiction, give notice to the Company and allow the Company to undertake appropriate action to prevent disclosure of the Records deemed confidential at its expense.

(p) Provide an indenture trustee for the Registrable Notes or the Exchange Notes, as the case may be, and cause the Indenture or the trust indenture provided for in Section 2(a), as the case may be, to be qualified under the TIA not later than the effective date of the Exchange Offer or the first Registration Statement relating to the Registrable Notes; and in connection therewith, cooperate with the trustee under any such indenture and the Holders of the Registrable Notes, to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use

its best efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable such indenture to be so qualified in a timely manner.

(q) Comply with all applicable rules and regulations of the SEC and make generally available to its securityholders earnings statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(r) Upon consummation of an Exchange Offer or a Private Exchange, obtain an opinion of counsel to the Company, in a form customary for similar underwritten offerings of debt securities similar to the Notes, addressed to the Trustee for the benefit of all Holders of Registrable Notes participating in the Exchange Offer or the Private Exchange, as the case may be, and which includes an opinion that (i) the Company has duly authorized, executed and delivered the Exchange Notes and Private Exchange Notes and the related indenture and (ii) the Exchange Notes or the Private

Exchange Notes, as the case may be, and related indenture constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms (with customary exceptions).

(s) If an Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, the Company shall mark, or cause to be marked, on such Registrable Notes that such Registrable Notes are being cancelled in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be; and, in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(t) Cooperate with each seller of Registrable Notes covered by any Registration Statement and the managing underwriter(s), if any, participating in the disposition of such Registrable Notes and their respective counsel in connection with any filings required to be made in connection with such disposition with the National Association of Securities Dealers, Inc. (the "NASD").

(u) Use its reasonable best efforts to take all other steps necessary to effect the registration of the Registrable Notes covered by a Registration Statement contemplated hereby.

The Company may require each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected to furnish to the Company such information regarding such seller or Participating Broker-Dealer and the distribution of such Registrable Notes or Exchange Notes to be sold by such Participating Broker-Dealer, as the case may be, as the Company may, from time to time, reasonably request. The Company may exclude from such registration the Registrable Notes of any seller or Participating Broker-Dealer who unreasonably fails to furnish such information within a reasonable time after receiving such request.

Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes to be sold by such Participating Broker-Dealer, as the case may be, that, upon

receipt of any notice from the Company of the happening of any event of the kind described in Section 5(c)(ii), 5(c)(iv), 5(c)(v), or 5(c)(vi), such Holder will forthwith discontinue disposition of such Registrable Notes covered by such Registration Statement or Prospectus or Exchange Notes to be sold by such Holder or Participating Broker-Dealer, as the case may be, until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(k), or until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto. In the event the Company shall give any such notice, each of the Effectiveness Period and the Applicable Period shall be extended by the number of days during such periods from and including the date of the giving of such notice to and including the date when each seller of Registrable Notes covered by such Registration Statement or Exchange Notes to be sold by such Holder or Participating Broker-Dealer, as the case may be, shall have received (x) the copies of the supplemented or amended Prospectus contemplated by Section 5(k) or (y) the Advice.

6. Registration Expenses

All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not the Exchange Offer or a Shelf Registration is filed or becomes effective, including, without limitation, (i) all registration and filing fees (including, without limitation, (A) fees with respect to filings required to be made with the NASD in connection with an underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws (including, without

limitation, reasonable fees and disbursements of counsel (which may be counsel to the Company) in connection with Blue Sky qualifications of the Registrable Notes or Exchange Notes and, if requested, determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the Holders of Registrable Notes are located, in the case of the Exchange Notes, or (y) as provided in Section 5(h), in the case of Registrable Notes or Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Notes or Exchange Notes in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses if and only if the printing of Prospectuses is reasonably

requested by the managing underwriter or underwriters, if any, or, in respect of Registrable Notes or Exchange Notes to be sold by any Participating Broker-Dealer during the Applicable Period, by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or of such Exchange Notes, as the case may be), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company and fees and disbursements of special counsel (which will be limited to a single firm for each related transaction) for the sellers of Registrable Notes, (v) fees and disbursements of all independent certified public accountants referred to in Section 5(n)(iii) (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) rating agency fees, (vii) Securities Act liability insurance, if the Company desires such insurance, (viii) fees and expenses of the Trustee, (ix) fees and expenses of all other Persons retained by the Company, (x) internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees of the Company performing legal or accounting duties), (xi) the expense of any annual audit, (xii) the fees and expenses incurred in connection with any listing of the securities to be registered on any securities exchange, (xiii) the fees and disbursements of underwriters, if any, customarily paid by issuers or sellers of securities (but not including any underwriting discounts or commissions or transfer taxes, if any, attributable to the sale of the Registrable Notes which discounts, commissions or taxes shall be paid by Holders of such Registrable Notes), and (xiv) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, securities sales agreements, indentures and any other documents necessary in order to comply with this Agreement.

7. Indemnification

(a) The Company agrees to indemnify and hold harmless each Holder of Registrable Notes and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, the officers and directors of each such person, and each person, if any, who controls any such person within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (each,

a "Participant"), from and against any and all losses, claims, damages and liabilities (including, without limitation, the reasonable legal fees and other expenses actually incurred in connection with any suit, action or proceeding or any claim asserted) caused by, arising out of or based upon any untrue statement

or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary Prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Participant furnished to the Company in writing by such Participant expressly for use therein; provided, that the foregoing indemnity with respect to any preliminary Prospectus shall not inure to the benefit of any Participant (or to the benefit of any person controlling such Participant) from whom the person asserting any such losses, claims, damages or liabilities purchased Registrable Notes or Exchange Notes if such untrue statement or omission or alleged untrue statement or omission made in such preliminary Prospectus is eliminated or remedied in the related Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) and a copy of the related Prospectus (as so amended or supplemented) shall have been furnished to such Participant at or prior to the sale of such Registrable or Exchange Notes, as the case may be, to such person.

(b) Each Participant will be required to agree, severally and not jointly, to indemnify and hold harmless the Company, its directors and officers and each person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to each Participant, but only with reference to information relating to such Participant furnished to the Company in writing by such Participant expressly for use in any Registration Statement or Prospectus, any amendment or supplement thereto, or any preliminary Prospectus. The liability of any Participant under this paragraph (b) shall in no event exceed the proceeds received by such Participant from sales of Registrable Notes giving rise to such obligations.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnity may be sought pursuant to either paragraph (a) or (b) of this Section 7, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnity may be sought (the

"Indemnifying Person") in writing, and the Indemnifying Person, upon request of the Indemnified Person, shall retain one counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Indemnifying Person may reasonably designate in such proceeding and shall pay the reasonable fees and expenses incurred by such counsel related to such proceeding. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed in writing to the contrary, (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person or (iii) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representations of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for the Participants and such control persons of Participants shall be designated in writing by Participants who sold a majority in interest of Registrable Notes sold by all such Participants and any such separate firm for the Company, its directors, officers and such control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for reasonable fees and expenses incurred by counsel as contemplated by the third sentence of this paragraph, the Indemnifying Person agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after

receipt by such Indemnifying Person of the aforesaid request and (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement; provided, however, that the Indemnifying Person shall not be liable for any settlement effected without its consent pursuant to this sentence if the Indemnifying Person is contesting, in good faith, the request for reimbursement. No Indemnifying Person shall, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and of which indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person

from all liability on claims that are the subject matter of such proceeding.

If the indemnification provided for in paragraphs (a) and (b) of this Section 7 is unavailable to an Indemnified Person in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraphs, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Participants on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and the Participants on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Participants and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties shall agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Participants were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any reasonable

legal or other expenses actually incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall a Participant be required to contribute any amount in excess of the amount by which proceeds received by such Participant from sales of Registrable Notes or Exchange Notes exceeds the amount of any damages that such Participant has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 7 will be in addition to any liability which the Indemnifying Persons may otherwise have to the Indemnified Persons referred to above.

8. Rules 144 and 144A

The Company covenants that it will file the reports required to be

filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Registrable Notes, make publicly available other information of a like nature so long as necessary to permit sales pursuant to Rule 144 or Rule 144A. The Company further covenants that so long as any Registrable Notes remain outstanding to make available to any Holder of Registrable Notes in connection with any sale thereof, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such Registrable Notes pursuant to (a) such Rule 144A, or (b) any similar rule or regulation hereafter adopted by the SEC.

9. Underwritten Registrations

If any of the Registrable Notes covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering and shall be reasonably acceptable to the

Company. No underwritten offering shall include less than $10,000,000 principal amount of the Notes covered by such Shelf Registration.

No Holder of Registrable Notes may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

10. Miscellaneous

(a) Remedies. In the event of a breach by the Company of any of its obligations under this Agreement, other than the occurrence of an event which requires payment of Additional Interest, each Holder of Registrable Notes, in addition to being entitled to exercise all rights provided herein, in the Indenture or, in the case of the Initial Purchaser, in the Purchase Agreement or granted by law, including recovery of damages, under this Agreement.

(b) Enforcement. The Trustee shall be authorized to enforce the provisions of this Agreement for the ratable benefit of the Holders.

(c) No Inconsistent Agreements. The Company has not, as of the date hereof, and shall not, after the date of this Agreement, enter into any

agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Registrable Notes in this Agreement or otherwise conflicts with the provisions hereof. The Company has not entered nor will it enter into any agreement with respect to any of its securities which will grant to any Person piggy-back rights with respect to a Registration Statement.

(d) Adjustments Affecting Registrable Notes. The Company shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders of Registrable Notes to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(e) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or

supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of at least a majority of the then outstanding aggregate principal amount of Registrable Notes. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Notes whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by Holders of at least a majority in aggregate principal amount of the Registrable Notes being sold by such Holders pursuant to such Registration Statement, provided, that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence.

(f) Notices. All notices and other communications (including without limitation any notices or other communications to the Trustee) provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of Registrable Notes, at the most current address given by the Trustee to the Company; and

(ii) if to the Company, Renaissance Cosmetics, Inc., 635 Madison Avenue, New York, New York 10022, Attention: Thomas Kaung, Chief Financial Officer, with a copy to Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the Americas, New York, New York 10019-6064, Attention: Mitchell S. Fishman, Esq.

All such notices and communications shall be deemed to have been duly given: (i) when delivered by hand, if personally delivered; (ii) five business days after being deposited in the mail, postage prepaid, if mailed;

(iii) one business day after being timely delivered to a next-day air courier; and (iv) when receipt of a complete copy thereof is acknowledged by the addressee, if telecopied.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee under the

Indenture at the address specified in such Indenture.

(g) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Registrable Notes.

(h) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(i) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(j) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN AND FOR THE COUNTY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(k) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction.

(l) Entire Agreement. This Agreement, together with the Purchase Agreement and the Indenture, is intended by the parties as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(m) Notes Held by the Company or Its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Notes is required hereunder, Registrable Notes held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

RENAISSANCE COSMETICS, INC.
(a Delaware corporation)

By: /s/ Thomas T.S. Kaung

Name: Thomas T.S. Kaung
Title: Group Vice President

CIBC WOOD GUNDY SECURITIES CORP.

By: /s/ Mark Dalton

Name: Mark Dalton
Title: Managing Director