

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): May 5, 2000

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COMMISSION FILE NUMBER 0-7570  
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<S>	<C>	<C>
Delaware	Canandaigua Brands, Inc.	16-0716709
	and its subsidiary guarantors:	
New York	Batavia Wine Cellars, Inc.	16-1222994
New York	Canandaigua Wine Company, Inc.	16-1462887
New York	Canandaigua Europe Limited	16-1195581
England and Wales	Canandaigua Limited	98-0198402
New York	Polyphenolics, Inc.	16-1546354
New York	Roberts Trading Corp.	16-0865491
Netherlands	Canandaigua B.V.	98-0205132
Delaware	Franciscan Vineyards, Inc.	94-2602962
California	Allberry, Inc.	68-0324763
California	Cloud Peak Corporation	68-0324762
California	M.J. Lewis Corp.	94-3065450
California	Mt. Veeder Corporation	94-2862667
Delaware	Barton Incorporated	36-3500366
Delaware	Barton Brands, Ltd.	36-3185921
Maryland	Barton Beers, Ltd.	36-2855879
Connecticut	Barton Brands of California, Inc.	06-1048198
Georgia	Barton Brands of Georgia, Inc.	58-1215938
Illinois	Barton Canada, Ltd.	36-4283446
New York	Barton Distillers Import Corp.	13-1794441
Delaware	Barton Financial Corporation	51-0311795
Wisconsin	Stevens Point Beverage Co.	39-0638900
Illinois	Monarch Import Company	36-3539106

(State or other jurisdiction of incorporation or organization) (Exact name of registrant as specified in its charter) (I.R.S. Employer Identification No.)  
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300 Willow Brook Office Park, Fairport, New York 14450  
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(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (716) 218-2169

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

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

The following exhibits are filed to be incorporated into registration statement No. 333-91587:

1.1. Underwriting Agreement dated May 5, 2000 by and among Canandaigua Brands, Inc., Allberry, Inc., Barton Beers, Ltd., Barton Brands of California, Inc., Barton Brands of Georgia, Inc., Barton Brands, Ltd., Barton Canada, Ltd., Barton Distillers Import Corp., Barton Financial Corporation, Barton Incorporated, Batavia Wine Cellars, Inc., Canandaigua B.V., Canandaigua Europe Limited, Canandaigua Limited, Canandaigua Wine Company, Inc., Cloud Peak Corporation, Franciscan Vineyards, Inc., M.J. Lewis Corp., Monarch Import Company, Mt. Veeder Corporation, Polyphenolics, Inc., Roberts Trading Corp., and Stevens Point Beverage Co., as Issuers, and Barclays Bank PLC, as Underwriter.

4.1 Form of Supplemental Indenture No. 4 to be dated as of May 15, 2000 by and among Canandaigua Brands, Inc., as Issuer, and Allberry, Inc., Barton Beers, Ltd., Barton Brands of California, Inc., Barton Brands of Georgia, Inc., Barton Brands, Ltd., Barton Canada, Ltd., Barton Distillers Import Corp., Barton Financial Corporation, Barton Incorporated, Batavia Wine Cellars, Inc., Canandaigua B.V., Canandaigua Europe Limited, Canandaigua Limited, Canandaigua Wine Company, Inc., Cloud Peak Corporation, Franciscan Vineyards, Inc., M.J. Lewis Corp., Monarch Import Company, Mt. Veeder Corporation, Polyphenolics, Inc., Roberts Trading Corp., and Stevens Point Beverage Co., as Guarantors, and Harris Trust and Savings Bank, as Trustee.

SIGNATURES

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

CANANDAIGUA BRANDS, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Executive Vice  
President and Chief Financial Officer

SUBSIDIARIES

BATAVIA WINE CELLARS, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Treasurer

CANANDAIGUA WINE COMPANY, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Treasurer

CANANDAIGUA EUROPE LIMITED

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Treasurer

CANANDAIGUA LIMITED

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Finance Director

POLYPHENOLICS, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President and Treasurer

ROBERTS TRADING CORP.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, President and Treasurer

CANANDAIGUA B.V.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Authorized Representative

FRANCISCAN VINEYARDS, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President and Treasurer

ALLBERRY, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President and Treasurer

CLOUD PEAK CORPORATION

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President and Treasurer

M.J. LEWIS CORP.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President and Treasurer

MT. VEEDER CORPORATION

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President and Treasurer

BARTON INCORPORATED

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON BRANDS, LTD.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON BEERS, LTD.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON BRANDS OF CALIFORNIA, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON BRANDS OF GEORGIA, INC.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON CANADA, LTD.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON DISTILLERS IMPORT CORP.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

BARTON FINANCIAL CORPORATION

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

STEVENS POINT BEVERAGE CO.

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

MONARCH IMPORT COMPANY

Dated: May 12, 2000 By: /s/ Thomas S. Summer  
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Thomas S. Summer, Vice President

UNDERWRITING AGREEMENT

CANANDAIGUA BRANDS, INC.

(Pounds)80,000,000 of 8 1/2% Series C Senior Notes due 2009

May 5, 2000

BARCLAYS BANK PLC  
5 The North Colonnade  
Canary Wharf  
London E14 4BB

Ladies and Gentlemen:

Canandaigua Brands, Inc., a Delaware corporation (the "Company"), by  
this agreement (the "Agreement") proposes to issue and sell to Barclays Bank PLC  
(the "Underwriter") (Pounds)80,000,000 aggregate principal amount of its 8 1/2%  
Series C Senior Notes due 2009 (the "Notes"). The Notes will initially be  
unconditionally guaranteed (the "Guarantees" and, together with the Notes, the  
"Securities") by each of: Batavia Wine Cellars, Inc., Canandaigua Wine Company,  
Inc., Canandaigua Europe Limited, Roberts Trading Corp., Polyphenolics, Inc.,  
and Barton Distillers Import Corp., each a New York corporation, Barton  
Incorporated, Barton Brands, Ltd., Barton Financial Corporation and Franciscan  
Vineyards, Inc., each a Delaware corporation, Barton Beers, Ltd., a Maryland  
corporation, Barton Brands of California, Inc., a Connecticut corporation,  
Barton Brands of Georgia, Inc., a Georgia corporation, Stevens Point Beverage  
Co., a Wisconsin corporation, Monarch Import Company and Barton Canada, Ltd.,  
each an Illinois corporation, Allberry, Inc., Cloud Peak Corporation, M.J. Lewis  
Corp. and Mt. Veeder Corporation, each a California Corporation, Canandaigua  
Limited, a company organized under the laws of England and Wales, and  
Canandaigua B.V., a company organized under the laws of the Kingdom of the  
Netherlands (collectively, the "Guarantors" and, together with the Company, the  
"Issuers"). The Securities are to be issued under an indenture dated February  
25, 1999 (the "Initial Indenture") as supplemented by Supplemental Indenture No.  
3 dated August 6, 1999 (the "Third Supplemental Indenture" and together with the  
Initial Indenture, the "Base Indenture"), as further supplemented by Amend-

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ment No. 4 to be dated May 15, 2000 (the "Fourth Supplemental Indenture" and  
together with the Base Indenture, the "Indenture").

The Issuers have prepared and filed with the Securities and Exchange  
Commission (the "Commission") in accordance with the provisions of the  
Securities Act of 1933, as amended, and the rules and regulations of the  
Commission thereunder (collectively, the "Securities Act"), a registration  
statement (file number 333-91587) on Form S-3, relating to certain securities  
(the "Shelf Securities") to be issued from time to time by the Issuers, as the  
case may be. The Issuers have also filed with, or propose to file with, the  
Commission pursuant to Rule 424 under the Securities Act ("Rule 424") a  
prospectus supplement specifically relating to the Securities (a "Prospectus  
Supplement"). The registration statement as amended to the date of this  
Agreement and including any registration statement filed pursuant to Rule 462(B)  
under the Securities Act (a "Rule 462(B) Registration Statement") is hereinafter

referred to as the "Registration Statement" and the related prospectus covering

the Shelf Securities in the form first used to confirm sales of the Securities is hereinafter referred to as the "Basic Prospectus." The Basic Prospectus as

supplemented by any applicable Prospectus Supplement specifically relating to the Securities in the form first used to confirm sales of the Securities is hereinafter referred to as the "Prospectus." Any reference in this Agreement to

the Registration Statement, the Basic Prospectus, any preliminary form of Prospectus (a "Preliminary Prospectus") previously filed with the Commission

pursuant to Rule 424 or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act that were filed under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act") on or before the date of this Agreement or

the date of the Registration Statement, the Basic Prospectus, any Preliminary Prospectus or the Prospectus, as the case may be; and any reference to "amend," "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed under the Exchange Act after the date of this Agreement, or the date of the Registration Statement, the Basic Prospectus, any Preliminary Prospectus or the Prospectus, as the case may be, which are deemed to be incorporated by reference therein.

The Issuers hereby agree with the Underwriter as follows:

1. The Issuers hereby agree to issue and sell the Securities to the Underwriter as hereinafter provided, and the Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees to purchase from the Issuers (Pounds)80,000,000 aggregate principal amount of Securities at the applicable purchase price set forth in Schedule I hereto.

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2. The Issuers understand that the Underwriter intends (i) to make an offering in the United States and Europe of the Securities and (ii) initially to offer the Securities upon the terms set forth in the Prospectus.

The Underwriter represents and agrees with the Issuers that (i) it has not offered or sold, and, before the expiry of six months from the Closing Date, will not offer or sell, any Securities to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for purposes of their business, or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and (iii) it is a person of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom the document may otherwise lawfully be issued or passed on.

The Underwriter further represents and agrees with the Issuers that, with respect to offers or sales made in jurisdictions outside of the United States or the United Kingdom, it has made or will make such offers or sales in compliance with applicable law.

3. Payment for the Securities shall be made to the Company or to its order in immediately available funds on the date and at the time and place set forth in Schedule I hereto (or at such other time and place on the same or such other date, not later than the fifth Business Day thereafter, as the Underwriter and the Company may agree in writing). The time and date of such payment for the Securities are referred to herein as the "Closing Date." Such payment will be

made upon delivery to the Underwriter of the Securities registered in such names and in such denominations as the Underwriter shall request not less than two full Business Days prior to the date of delivery, with any transfer taxes payable in connection with transfer to the Underwriter duly paid by the Company. As used herein, the term "Business Day" means any day other than a day on which

banks are permitted or required to be closed in New York, New York or London, England. The Securities will be delivered through the book-entry facilities of either the Euroclear System ("Euroclear") or Clearstream Banking Luxembourg

("Clearstream") or such other facility as the Underwriter shall reasonably

request. The Securities will be made available for inspection by the Underwriter at the office of Cahill Gordon & Reindel at 80 Pine Street, New York, New York 10005 not later than 1:00 P.M., New York City time, on the Business Day prior to the Closing Date.

4. Each of the Issuers, jointly and severally, represents and warrants to the Underwriter that:

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(a) The Registration Statement has (i) been prepared by the Company in conformity with the requirements of the Securities Act, (ii) been filed with the Commission under the Securities Act and (iii) become effective under the Securities Act. Copies of such registration statement and any amendments thereto, as well as copies of the Preliminary Prospectus, have been delivered by the Company to you. "Effective Time" means the date and

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the time as of which the Registration Statement, or the most recent post-effective amendment thereof, if any, was declared effective by the Commission; and "Effective Date" means the date of the Effective Time. The

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Commission has not issued any order preventing or suspending the use of the Prospectus or the effectiveness of the Registration Statement.

(b) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will, when they become effective or are filed with the Commission, as the case may be, conform, in all material respects to the requirements of the Securities Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and do not and will not, as of the

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applicable Effective Date (as to the Registration Statement and any amendment thereto) and as of the applicable filing date (as to the Prospectus and any amendment or supplement thereto), 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 the case of the Prospectus, in light of the circumstances in which they were made) not misleading; on the Closing Date, the Indenture will conform in all material respects to the applicable requirements of the Trust Indenture Act and the rules and regulations of the Commission thereunder; and, at the Effective Time, the Prospectus, if not filed pursuant to Rule 424(b), did not or will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualifications (Form T-1) of the Trustee under the Trust Indenture Act or (ii) information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Underwriter expressly for use therein (the "Underwriter's Information"). It is hereby understood and

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agreed that the only such information furnished by the Underwriter consists of its name contained in the Registration Statement and the Prospectus and the information in the third, and the last three paragraphs (including the information set forth in the

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bullet points in the penultimate paragraph) under the heading "Plan of Distribution" in the Prospectus Supplement.

(c) The Luxembourg Stock Exchange memorandum of listing particulars (the "Listing Particulars"), in the form approved by the Luxembourg Stock

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Exchange, will not, as of its date, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) The documents incorporated or deemed to be incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) Each Preliminary Prospectus filed as part of the registration

statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 complied when so filed in all material respects with the Securities Act and did 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 the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to the Underwriter's Information.

(f) The Company and each of its consolidated subsidiaries (the "Subsidiaries") have been duly incorporated and are validly existing as

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corporations in good standing under the laws of their respective jurisdictions of incorporation, with full power and authority (corporate and other) to own their properties and conduct their respective businesses as described in the Prospectus, and are duly qualified to transact business as foreign corporations in good standing under the laws of each jurisdiction where the ownership or leasing of their respective properties or the conduct of their respective businesses require such qualification, except where the failure to so qualify would not have a material adverse effect on the business, management, condition (fi-

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nancial or otherwise), results of operations or business prospects of the Company and its Subsidiaries considered as a whole (a "Material Adverse

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Effect"); the Company had at the dates indicated an authorized

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capitalization as set forth in the Prospectus, and the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable, and the outstanding shares of capital stock of each of the Company's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and (except for directors' qualifying shares) are owned beneficially by the Company free and clear of all liens, encumbrances, equities and claims (collectively, "Liens") except for the Liens under the Credit Agreement, dated as of October 6, 1999, between the Company, the guarantors named therein, the lenders signatory thereto, The Chase Manhattan Bank, as Administrative Agent, the Bank of Nova Scotia, as Syndication Agent and Credit Suisse First Boston and Citicorp USA, Inc. as Co-Documentation Agents (the "Credit Agreement"). Neither the Company nor any of the

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Guarantors is in violation of its respective charter or bylaws and neither the Company nor any of the Guarantors is in default (nor has an event occurred with notice, lapse of time or both that would constitute a default) in the performance of any obligation, agreement or condition contained in any agreement, lease, indenture or instrument of the Company or any Guarantor where such violation or default would have a Material Adverse Effect.

(g) The Issuers have full corporate power and authority to enter into this Agreement and the Indenture and to issue, sell and deliver the Notes, in the case of the Company, and the Guarantees, in the case of the Guarantors, to be sold by them to the Underwriter as provided herein and therein. The execution, delivery and performance of this Agreement, the Indenture and the Securities by the Company or any Guarantor, as the case may be, and the consummation by the Company or any Guarantor, as the case may be, of the transactions contemplated hereby and thereby does not and will not conflict with or result in a breach or violation by the Company or any Subsidiary, as the case may be, of any of the terms or provisions of, constitute a default by the Company or any Subsidiary, as the case may be, under, or result in the creation or imposition of any lien, charge, security interest or encumbrance upon any of the assets of the Company or any Subsidiary, as the case may be, pursuant to the terms of, (A) the Credit Agreement and any other indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any Subsidiary, as the case may be, is a party or to which any of them or any of their respective properties is subject, (B) the charter or bylaws of the Company or any Subsidiary, as the case may be, or (C) any statute, judgment, decree, order, rule or regulation of any foreign or domestic court, governmental agency or regulatory agency or body having jurisdiction over the Company or any of the Subsidiaries or any of their respective properties or

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assets except for any conflict, breach, default, lien, charge, security interest or encumbrance that would not have a Material Adverse Effect.

(h) The execution and delivery of the Indenture has been duly authorized by all necessary corporate action of the Issuers and, when the Fourth Supplemental Indenture has been duly executed and delivered in accordance with its terms by each party thereto, will be a legal, valid and binding agreement of the Issuers, enforceable against the Issuers in



accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws relating to creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether such enforcement may be sought in a proceeding in equity or at law). The issuance, execution and delivery of the Notes have been duly authorized by all necessary corporate action of the Company and, when executed, issued and delivered by the Company and authenticated by the Trustee and paid for in accordance with this Agreement, will be the legal, valid, binding and enforceable obligations of the Company, entitled to the benefits of the Indenture subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether such enforcement may be sought in a proceeding in equity or at law). The issuance, execution and delivery of the Guarantees have been duly authorized by all necessary corporate action of each Guarantor and, when executed, issued and delivered by each Guarantor and authenticated by the Trustee and paid for in accordance with this Agreement, will be the legal, valid, binding and enforceable obligations of each Guarantor, entitled to the benefits of the Indenture subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether such enforcement may be sought in a proceeding in equity or at law). The execution and delivery of this Agreement by the Issuers has been duly authorized by all necessary corporate action, and this Agreement has been duly executed and delivered by the Issuers and is the valid and legally binding agreement of each of the Issuers.

(i) Except as described or referred to in the Prospectus, there is not pending, or to the knowledge of the Issuers threatened, any action, suit, proceeding, inquiry or investigation to which the Company or any of the Subsidiaries is a party, or to which the property of the Company or any of the Subsidiaries is subject, before or brought by any court or governmental agency or body, which, if determined adversely to the Company or any of the Subsidiaries, would individually or in the aggregate have a Material Adverse Effect or might materially adversely affect the consummation of the offering of the Securities pursuant to this Agreement; and all pending legal or governmental proceedings to which the Company or any of the Subsidiaries is a party or that affect any of their respective properties that are not described in the Prospectus,

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including ordinary routine litigation incidental to the business, would not, in the aggregate, result in a Material Adverse Effect.

(j) Arthur Andersen LLP are independent certified public accountants with respect to the Company and its consolidated Subsidiaries and KPMG LLP are independent certified public accountants with respect to certain product lines sold to the Company by Diageo Inc. (the "Diageo Assets"), in

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each case, within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA")

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and its interpretations and rulings thereunder. The historical financial statements of the Company and the Diageo Assets (including the related notes) incorporated by reference in the Prospectus comply as to form in all material respects with the requirements applicable to a registration statement on Form S-3 under the Securities Act; such historical financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") consistently applied throughout the

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periods covered thereby and fairly present the financial position of the Company or the Diageo Assets at the respective dates indicated and the results of their operations and in the case of the Company, its cash flows for the respective periods indicated. The financial information contained in or incorporated by reference in the Prospectus and relating to the Company is derived from the accounting records of the Company and its Subsidiaries and fairly presents the information purported to be shown thereby. The pro forma financial statements incorporated by reference in the Prospectus have been prepared on a basis consistent with the historical financial statements incorporated by reference in the Prospectus (except for the pro forma adjustments specified therein), include all material adjustments to the historical financial statements required by Rule 11-02 of Regulation S-X under the Securities Act and the Exchange Act to reflect the transactions described in the Registration Statement, the Prospectus or in the documents incorporated therein by reference, are based on assumptions made on a reasonable basis and fairly present such transactions described in the Registration Statement, the Prospectus or in the documents incorporated therein by reference. The other historical financial and statistical information and data included in the Registration Statement, the Prospectus or in the documents incorporated therein by reference fairly presents, in all material respects, the information purported to be shown thereby. The financial information included in the Prospectus under the caption "Unaudited Summary Pro Forma Combined Financial Data" is based on  
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assumptions made on a reasonable basis and such pro forma financial data is fairly presented in all material respects.

(k) Except as described in or contemplated by the Registration Statement or the Prospectus, subsequent to February 29, 2000, (i) neither the Company nor any of the Subsidiaries has sustained any loss or interference with its business or properties

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from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree which would have a Material Adverse Effect; and (ii) there has not been any change in the capital stock (other than as a result of exercises of options under the Company's stock option plans in

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existence on the date hereof, including issuances under the Company's 1989 Employee Stock Purchase Plan, as amended or issuances under the Company's

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U.K. Share Save Scheme, as amended, any repurchases by the Company under its Stock Repurchase Program or as a result of the conversion of the Company's Class B Common Stock (par value \$.01 per share) into Class A Common Stock (par value \$.01 per share) or long-term debt of the Company or any of the Guarantors, or any other material adverse change, or any development involving a prospective material adverse change, in or affecting the business, condition (financial or otherwise), prospects or operations of the Company and the Subsidiaries taken as a whole.

(l) The Company and each of the Subsidiaries have good and marketable title to all properties and assets, as described in the Prospectus as owned by them free and clear of all liens, encumbrances, claims, security interests or restrictions, except as provided under the Credit Agreement as such as are described in the Prospectus or do not interfere with the use made and proposed to be made of such properties by the Company and the Subsidiaries and would not individually or in the aggregate result in a Material Adverse Effect; and all of the leases and subleases material to the business of the Company and the Subsidiaries taken as a whole, and under which the Company or any of the Subsidiaries holds properties described in the Prospectus, are in full force and effect and neither the Company nor any of the Subsidiaries has any notice of any claims of any sort that have been asserted by anyone adverse to the rights of the Company or any of the Subsidiaries under such leases or subleases, or affecting or questioning the rights of the Company or any of the Subsidiaries to the continued possession of the leased or subleased premises under any such lease or sublease, which claims would have a Material Adverse Effect.

(m) Each of the Company and the Subsidiaries owns or possesses all governmental and other licenses, permits, certificates, consents, orders, approvals and other authorizations necessary to own, lease and operate its properties and to conduct its business as presently conducted by it and described in the Prospectus, except where the failure to own or possess such licenses, permits, certificates, consents, orders, approvals and other authorizations would not, individually or in the aggregate, have a Material Adverse Effect (collectively, the "Material Licenses"); all of the Material

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Licenses are valid and in full force and effect, except where the invalidity of such Material License or the failure of such Material License to be in full force and effect would not, individually or in the aggregate, have a Material Adverse Effect; and none of the

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Company or any of its Subsidiaries has received any notice of proceedings relating to revocation or modification of any such Material Licenses which would, individually or in the aggregate, have a Material Adverse Effect.

(n) Each of the Company and its Subsidiaries owns or possesses, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, trademarks, service marks, trade names and know-how (including trade secrets and other patentable and/or unpatentable proprietary or confidential information or procedures) (collectively, "intellectual property") necessary to carry on its business as presently

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operated by it, except where the failure to own or possess or have the ability to acquire any such intellectual property would not, individually or in the aggregate, have a Material Adverse Effect; and none of the Company or any of its Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any intellectual property or of any facts which would render any intellectual property invalid or inadequate to protect the interest of the Company or any of its Subsidiaries therein and which infringement or conflict would have a Material Adverse Effect.

(o) None of the Company or any of its Subsidiaries has taken, or will 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 Securities.

(p) None of the Company or any of its Subsidiaries is an investment company within the meaning of the Investment Company Act of 1940, as amended.

(q) Except as described in the Prospectus, the Company and its Subsidiaries comply in all material respects with all Environmental Laws (as defined below), except to the extent that failure to comply with such Environmental Laws would not individually or in the aggregate have a Material Adverse Effect. None of the Company or any of its Subsidiaries is the subject of any pending or, to the knowledge of any of the Issuers, threatened foreign, federal, state or local investigation evaluating whether any remedial action by the Company or any of its Subsidiaries is needed to respond to a release of any Hazardous Materials (as defined below) into the environment, resulting from the Company's or any of its Subsidiaries' business operations or ownership or possession of any of their properties or assets or is in contravention of any Environmental Law that would, individually or in the aggregate, have a Material Adverse Effect. None of the Company or any of its Subsidiaries has received any notice or claim, nor are there pending or, to the knowledge of any of the Issuers, threatened lawsuits against them, with respect to violations of an Environmental Law or in connection with any release of any Hazardous Material into the environment that would have a Material Adverse Effect. As used herein, "Environmental Laws" means  
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any foreign, federal, state or local law or regulation applicable to the Company's or any of its Subsidiaries' business operations or ownership or possession of any of their properties or assets relating to environmental matters, and "Hazardous Materials" means those substances that are  
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regulated by or form the basis of liability under any Environmental Laws.

(r) There are no contracts or other documents which are required to be described in the Prospectus or filed as exhibits to the Registration Statement by the Securities Act which have not been described in the Prospectus or filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Securities Act.

(s) No relationship, direct or indirect, exists between or among the Company and its Subsidiaries on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company on the other hand, which is required to be described in the Prospectus which is not so described in the Prospectus or incorporated therein by reference as permitted by the Securities Act.

(t) No labor problem exists with the employees of the Company or any of its Subsidiaries or, to the knowledge of the Issuers, is imminent that, in either case, would have a Material Adverse Effect.

(u) Except as disclosed in the Prospectus, all United States federal income tax returns and all foreign tax returns of the Company and its Subsidiaries required by law to be filed have been filed (taking into account extensions granted by the applicable federal governmental agency) and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided and except for such taxes the payment of which would not individually or in the aggregate result in a Material Adverse Effect. All other corporate franchise and income tax returns of the Company and its Subsidiaries required to be filed pursuant to applicable foreign, federal, state or local laws have been filed, except insofar as the failure to file such returns would not individually or in the aggregate result in a Material Adverse Effect, and all taxes shown on such returns or otherwise assessed which are due and payable have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided and except for such taxes the payment of which would not individually or in the aggregate result in a Material Adverse Effect.

(v) The Company and each of its Subsidiaries maintain (and in the future will maintain) a system of internal accounting controls sufficient to provide reasonable

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assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or

specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(w) The Company and each of its Subsidiaries is in compliance with, and each such entity has not received any notice of any outstanding violation of, all laws, regulations, ordinances and rules applicable to it and its operations, except, in either case, where any failure by the Company or any of its Subsidiaries to comply with any such law, regulation, ordinance or rule would not individually or in the aggregate result in a Material Adverse Effect.

(x) Neither the issuance, sale or delivery of the Securities and the Guarantees nor the application of the proceeds thereof by the Company as set forth in the Prospectus will violate Regulations T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(y) Each of the Company and its Subsidiaries is, and immediately after the Closing Date will be, Solvent. As used herein, the term "Solvent" ----- means, with respect to any such entity on a particular date, that on such date (A) the fair market value of the assets of such entity is greater than the amount that will be required to pay the probable liabilities of such entity on its debts as they become absolute and matured, (B) assuming the sale of the Securities as contemplated by this Agreement and as described in the Prospectus, such entity is not incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature, (C) such entity is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature and (D) such entity does not have unreasonably small capital.

(z) Other than this Agreement, neither the Company nor any Subsidiary is a party to any contract, agreement or understanding with any person that would give rise to a valid claim against the Issuers or any Subsidiary or the Underwriter for a brokerage commission, finders' fee or like payment in connection with the offering and sale of the Securities.

(aa) The conditions for use of Form S-3, as set forth in the General Instructions thereto, have been satisfied by the Company.

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

Any certificate signed by an officer of any of the Issuers and delivered to the Underwriter or to counsel for the Underwriter at or prior to the Closing Date pursuant to any section of this Agreement or the transactions contemplated hereby shall be deemed a representation and warranty by such Issuer, to the Underwriter as to the matters covered thereby.

5. Each of the Issuers covenants and agrees with the Underwriter as follows:

(a) in respect of the offering of the Securities, the Issuers will (i) prepare a Prospectus Supplement setting forth the aggregate principal amount of each type of Securities covered thereby and their terms not otherwise specified in the Basic Prospectus pursuant to which the Securities are being issued, the name of the Underwriter participating in the offering, the price at which the Securities are to be purchased by the Underwriter from the Issuers, the initial public offering price, the applicable selling concession and reallowance, if any, and such other information as the Underwriter and the Issuers deem appropriate in connection with the offering of the Securities, (ii) file the Prospectus in a form approved by the Underwriter pursuant to Rule 424 under the Securities Act no later than the Commission's close of business on the second Business Day following the date of determination of the offering price of the Securities and (iii) furnish copies of the Prospectus to the Underwriter and to such dealers as the Underwriter shall specify in New York City as soon as practicable (but in any event in sufficient time as to allow the Underwriter and such dealers to deliver such Prospectus prior to or simultaneously with confirmations of sale) after the date of this Agreement in such quantities as the Underwriter may reasonably request;

(b) to deliver, at the expense of the Issuers, to the Underwriter a total of three signed copies of the Registration Statement (as originally filed) and each amendment thereto, in each case including exhibits, and, during the period mentioned in paragraph (f) below, to the Underwriter and to dealers effecting transactions in the Securities as many copies of the Prospectus (including all amendments and supplements thereto) as the Underwriter may reasonably request;

(c) to furnish to the Underwriter without charge, as many copies of the exhibits and documents incorporated by reference in the Registration Statement as the Underwriter may reasonably request;

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(d) (i) at any time when the Prospectus is required to be delivered under the Securities Act or the Exchange Act in connection with sales of Securities, not to file any amendment to the Registration Statement or any Rule 462(B) Registration Statement or to make any amendment or supplement to the Prospectus of which the Underwriter shall not previously have been advised or to which the Underwriter or counsel for the Underwriter shall reasonably object; and to prepare and file with the Commission, promptly upon the Underwriter's reasonable request, any amendment to the Registration Statement, Rule 462(B) Registration Statement, or amendment or supplement to the Prospectus that, in the opinion of counsel for the Underwriter, may be necessary in connection with the distribution of the Securities by the Underwriter, and to use its best efforts to cause the same to become promptly effective and (ii) if applicable, the Prospectus and any amendments or supplements thereto furnished to the Underwriter will be identical in content to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T;

(e) to advise the Underwriter promptly, and to confirm such advice in writing, (i) when any amendment to the Registration Statement shall have become effective, (ii) when any supplement to the Prospectus or any amendment to the Prospectus has been filed and to furnish the Underwriter with copies thereof, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or the initiation or threatening of any proceeding for that purpose, (v) of the occurrence of any event, within the period referenced in paragraph (f) below, as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances in which such statements are made, not misleading, and (vi) of the receipt by any of the Issuers of any notification with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and to use its commercially reasonable best efforts to prevent the issuance of any such stop order, or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, or of any order suspending any such qualification of the Securities, or notification of any such order thereof and, if issued, to use its commercially reasonable best efforts to obtain as soon as possible the withdrawal thereof;

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(f) if, during such period of time after the first date of the public offering of the Securities as in the reasonable opinion of counsel for the Underwriter a prospectus relating to the Securities is required by law to be delivered in connection with sales by the Underwriter or any dealer, any event shall occur as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances in which such statements are made, not misleading, or if it is necessary to amend or supplement the Prospectus to comply with applicable federal and state securities law, to reasonably promptly prepare and furnish, to the Underwriter and to the dealers (whose names and addresses the Underwriter will furnish to the Company) to which Securities may have been sold by the Underwriter and to any other dealers upon request, such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will comply with applicable federal and state securities law; provided, however, that any amendments or supplements made more than one  
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year after the first date of the public offering of the Securities shall be made at the expense of the Underwriter;

(g) to use its commercially reasonable best efforts to qualify the Securities for offer and sale under the securities or Blue Sky and real estate syndication laws of such jurisdictions as the Underwriter shall reasonably request and to continue such qualification in effect so long as reasonably required for distribution of the Securities and to pay all fees and expenses (including fees and disbursements of counsel to the Underwriter) incurred in connection with such qualification; provided that the Issuers shall not be required to file a general consent to service of process in any jurisdiction or to qualify as a foreign corporation in any jurisdiction, and provided, further, that all fees and expenses incurred in  
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connection with qualifying the Securities for offer and sale after the

first anniversary of the public offering of such Securities shall be paid by the Underwriter;

(h) to make generally available to its security holders and to the Underwriter, as soon as practicable, an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company and the Subsidiaries occurring after the effective date of the Registration Statement, which shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder;

(i) for such period as the Securities remain outstanding, to furnish to the Underwriter copies of all reports or other communications (financial or other) furnished to holders of the Securities and copies of any reports and financial statements furnished to or filed with the Commission, the National Association of Securities Dealers, Inc. (the "NASD") or any national securities exchange;

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(j) during the period when the Prospectus is required to be delivered under the Securities Act or the Exchange Act in connection with sales of the Securities, to file all documents required to be filed by it with the Commission pursuant to Section 13, 14 or 15 of the Exchange Act within the time periods required by the Exchange Act;

(k) whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all costs and expenses incident to the performance of the obligations of the Issuers hereunder, including without limiting the generality of the foregoing, all costs and expenses (i) incident to the preparation, issuance, execution and delivery of the Securities (including the payment of any stamp tax or duty in connection therewith), (ii) incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Prospectus and any Preliminary Prospectus (including in each case all exhibits, amendments and supplements thereto), (iii) incurred in connection with the registration or qualification of the Securities under the applicable securities laws of such jurisdictions as the Underwriter may reasonably designate (including fees of counsel for the Underwriter and its reasonable disbursements in connection therewith), (iv) in connection with the listing or proposed listing of securities on any securities exchange, (v) related to any required filing with, and review by, the NASD, (vi) in connection with the printing (including word processing and duplication costs) and delivery of this Agreement and the furnishing to the Underwriter and dealers of copies of the Registration Statement and the Prospectus, including mailing and shipping, as herein provided, (vii) any expenses incurred by the Company in connection with a "road show" presentation to potential investors, (viii) incident to the preparation, printing and filing of the Listing Particulars (including all exhibits, amendments and supplements thereto) and (ix) the cost and charges of any transfer agent, registrar, listing agent, paying agent or custodian;

(l) the Issuers will use the net proceeds received by them from the sale of the Securities pursuant to this Agreement in the manner specified in the Prospectus Supplement under the caption "Use of Proceeds";

(m) the Issuers will use their best efforts to do and perform all things required to be done and performed under this Agreement by the Issuers prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Securities;

(n) to take all reasonable action necessary to enable Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Group ("S&P") or their respective successors or assigns, to provide their respective credit ratings of the Securities, as specified in Schedule I hereto;

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(o) for a period of 90 days from the date of the Prospectus, not to offer for sale, sell, contract to sell or otherwise dispose of, directly or indirectly, or file a registration statement for, or announce any offer, sale, contract for sale of or other disposition of any unsecured debt securities denominated in sterling, issued or guaranteed by the Company or any of its Subsidiaries (other than the Securities) without the prior written consent of Barclays, which consent shall not be unreasonably withheld; provided that in the case of both this paragraph (o) and paragraph (p) below, the Company shall be permitted (i) to file a shelf registration statement on Form S-3 for the subsequent offer and sale of any combination of securities in one or more offerings, (provided that the Company shall not during such 30 and 90 day periods offer any such

securities by one or more supplemental prospectuses or otherwise), and (ii) the Company shall be permitted to file a registration statement on Form S-4 for the issuance of Securities to be issued in exchange for the Company's 8 1/2% Series B Senior Notes due 2009.

(p) for a period of 30 days from the date of the Prospectus, not to offer for sale, sell, contract to sell or otherwise dispose of, directly or indirectly, or file a registration statement for, or announce any offer, sale, contract for sale of or other disposition of any unsecured debt securities issued or guaranteed by the Company or any of its Subsidiaries (other than the Securities) without the prior written consent of Barclays, which consent shall not be unreasonably withheld; and

(q) to use its best efforts to (i) list the Securities on the Luxembourg Stock Exchange promptly after closing and to maintain such listing (or listing on an alternate exchange with the written consent of the Underwriter) for as long as the Securities are outstanding and (ii) permit the Securities to be eligible for clearance and settlement through the Euroclear System and Clearstream for so long as the Securities are outstanding.

6. The obligation of the Underwriter hereunder to purchase the Securities on the Closing Date is subject to the performance by each of the Issuers of its respective obligations hereunder and to the following additional conditions:

(a) (i) (A) the Registration Statement (excluding the Rule 462 Registration Statement) shall remain effective (or if a post-effective amendment is required to be filed under the Securities Act, such post-effective amendment shall have become effective not later than 5:00 P.M., New York City time, on the date hereof), (B) if the Company has elected to rely on Rule 462(B), the Rule 462 Registration Statement shall have become effective not later than 10:00 P.M., New York City time, on the date hereof, and (C) no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment shall be in effect, and no proceedings for

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such purpose shall be pending before or threatened by the Commission; (ii) the Prospectus shall have been filed with the Commission pursuant to Rule 424 within the applicable time period prescribed for such filing by the rules and regulations under the Securities Act and in accordance with Section 5(a) hereof; and (iii) all requests for additional information by the Commission shall have been complied with to the reasonable satisfaction of the Underwriter;

(b) the representations and warranties of each of the Issuers contained herein shall be true and correct on and as of the Closing Date as if made on and as of the Closing Date and each of the Issuers shall have complied with all agreements and all conditions on its respective part to be performed or satisfied hereunder at or prior to the Closing Date;

(c) subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have occurred any downgrading, nor shall any notice have been given of (i) any intended or potential downgrading or (ii) any review or possible change that indicates a potential downgrading, in the rating accorded any securities of or guaranteed by any of the Issuers by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436 under the Securities Act;

(d) (i) since the respective dates as of which information is given in the Prospectus and as of the Closing Date, there shall not have been any change in the capital shares or long-term debt of the Company or any of the Subsidiaries and there shall not have occurred any event that would have a Material Adverse Effect or any development involving a prospective Material Adverse Effect, otherwise than as set forth or contemplated in the Registration Statement and the Prospectus, the effect of which in the judgment of the Underwriter makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the Closing Date, on the terms and in the manner contemplated in the Prospectus and (ii) neither the Company nor any of the Subsidiaries shall have sustained since the date of the latest audited financial statements included in or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus;

(e) the Underwriter shall have received on and as of the Closing Date, a certificate of an executive officer of the Company with specific knowledge about the Company's financial matters reasonably satisfactory to the Underwriter to the effect set

forth in subsections (b) through (d) (with respect to the respective representations, warranties, agreements and conditions of the Company) of this Section 6;

(f) McDermott, Will & Emery, special counsel for the Company, shall have furnished to the Underwriter its written opinion addressed to the Underwriter, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form of Annex I hereto;

(g) Nixon Peabody LLP, counsel for the Issuers, shall have furnished to the Underwriter its written opinion addressed to the Underwriter, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form of Annex II hereto;

(h) each of Piper Marbury Rudnick & Wolfe LLP and Clifford Chance, local counsel for the Issuers, shall each have furnished to the Underwriter its written opinion addressed to the Underwriter, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form of Annex III hereto;

(i) on the date hereof, and also on the Closing Date, Arthur Andersen LLP and KPMG LLP shall each have furnished to the Underwriter letters, dated the respective dates of delivery thereof, in form and substance satisfactory to the Underwriter, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement and the Prospectus, including statements with respect to a review in accordance with SAS 71 of any interim financial information contained or incorporated by reference in the Registration Statement and the Prospectus;

(j) the Underwriter shall have received on and as of the Closing Date an opinion addressed to the Underwriter of Cahill Gordon & Reindel, counsel to the Underwriter, with respect to the due authorization and valid issuance of the Securities, the Registration Statement, the Prospectus and such other related matters as the Underwriter may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(k) on or prior to the Closing Date, the Issuers shall have furnished to the Underwriter such further certificates and documents as the Underwriter shall reasonably request;

(l) at the Closing Date, the Securities shall have the ratings accorded by any "nationally recognized statistical organization," as defined by the Commission for purposes of Rule 436(G)(2) under the Act as specified in Schedule I hereto, and the Company shall have delivered to the Underwriter a letter, dated as of such date, from each such rating organization, or other evidence reasonably satisfactory to the Underwriter, confirming that the Securities have such ratings. Since the date hereof, there shall not have occurred a downgrading in the rating assigned to the Securities or any of the Issuers' securities or any Subsidiary's other securities by any such rating organization, and no such rating organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities or any of the Company's or any Subsidiary's other securities; and

(m) the Securities have been approved for listing on the Luxembourg Stock Exchange.

If any of the foregoing conditions is not satisfied on or before the Closing Date, this Agreement shall (subject to the terms hereof) terminate on such date and the parties hereto shall be under no further obligations arising out of this Agreement (except as otherwise specifically provided and except for any liability arising before or in relation to such termination), provided that the Underwriter may, in its sole discretion, waive any of the conditions contained in this Section 6 or any part of them.

7. The Issuers, jointly and severally, agree to indemnify and hold harmless the Underwriter, its officers and directors, Barclays Capital Inc. (the Underwriter's United States broker-dealer affiliate), and each person, if any, who controls the Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages or liabilities (including, without limitation, the legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted) to which such Underwriter may become subject, under the Securities Act or otherwise, insofar as such losses, claims damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus (as amended or supplemented if the



Issuers shall have furnished any amendments or supplements thereto) or any Preliminary Prospectus, or arise out of or are 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 any Underwriter's Information; provided, however, that the Issuers shall not be

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liable to the Underwriter under this paragraph of Section 7 to the extent that any such loss, claim, damage or liability results solely from an untrue statement of a material fact contained

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in, or the omission of a material fact from, a Preliminary Prospectus if (i) such untrue statement or omission was completely corrected in the Prospectus prior to the written confirmation of the sale of the Securities giving rise to such liability, (ii) such Underwriter sold Securities to the person alleging such loss, claim, damage or liability without (to the extent required by applicable law) sending or giving the Prospectus at or prior to the written confirmation of the sale of the Securities giving rise to such liability, (iii) the Issuers had furnished copies of the Prospectus to such Underwriter prior to the written confirmation of the sale of the Securities giving rise to such liability and (iv) such Underwriter would not have been subject to such liability if it had delivered the Prospectus to such person at or prior to the written confirmation of such sale.

The Underwriter agrees to indemnify and hold harmless each of the Issuers, its directors, its officers who sign the Registration Statement and each person, if any who controls such Issuer within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and to the same extent as the foregoing indemnity from the Issuers to the Underwriter, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any Underwriter's Information.

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 of the two preceding paragraphs, such person (the "Indemnified Person") shall promptly

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notify the person or persons against whom such indemnity may be sought (each an "Indemnifying Person") in writing, and such Indemnifying Person, upon request of

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the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of 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) such Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary, (ii) such Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to such Indemnified Person or (iii) the named parties in any such proceeding (including any impleaded parties) include an Indemnifying Person and an Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that an Indemnifying Person shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate 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 Underwriter and such

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control persons of Underwriter shall be designated in writing by the Underwriter, and any such separate firm for the Issuers, their respective directors, their respective officers who sign the Registration Statement and such control persons of any of the Issuers 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, such Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. 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 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 the first and second paragraphs of this Section 7 is unavailable to an Indemnified Person or insufficient in

respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, 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 (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers on the one hand and the Underwriter on the other hand from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuers on the one hand and the Underwriter 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 benefits received by the Issuers on the one hand and the Underwriter on the other shall be deemed to be in the same respective proportions as the net proceeds from the offering and sale of the Securities (before deducting expenses) received by the Issuers and the total underwriting commissions received by the Underwriter, in each case as set forth in the table on the cover of the Prospectus. The relative fault of the Issuers on the one hand and the Underwriter 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 Issuers, on the one hand, or by the Underwriter on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Each of the Issuers and the Underwriter agrees that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take

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account of the equitable considerations re-

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ferred 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 legal or other expenses 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 an Underwriter be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution agreements contained in this Section 7 and the representations and warranties of the Company set forth in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Issuers, their respective officers or directors or any other person controlling any of the Issuers and (iii) acceptance of and payment for any of the Securities.

8. Notwithstanding anything herein contained, this Agreement may be terminated in the absolute discretion of the Underwriter, by notice given to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, the New York Stock Exchange, the American Stock Exchange, the NASDAQ National Market, the Chicago Mercantile Exchange, the Chicago Board of Options Exchange, the Chicago Board of Trade, the London Stock Exchange or the Luxembourg Stock Exchange, (ii) trading of any securities of or guaranteed by any of the Issuers shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either federal or New York State authorities, (iv) a general moratorium on commercial banking activities in London shall have been declared by United Kingdom or other governmental authorities, or (v) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in the judgment of the Underwriter, is material and adverse and that, in the judgment of the Underwriter, makes it impracticable to market the Securities on the terms and in the manner contemplated in the Prospectus.

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9. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

10. If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of any of the Issuers to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason any of the Issuers shall be unable to perform its respective obligations under this Agreement or any condition of the Underwriter's obligations cannot be fulfilled, the Issuers agree, jointly and severally, to promptly reimburse the Underwriter for all reasonable out-of-pocket expenses (including the fees and expenses of their counsel) incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be given, c/o Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB (Facsimile: +44 (0) 207) 773-4934), Attention Head of Legal Department, with a copy to Cahill Gordon & Reindel, 80 Pine Street, New York, New York, 10005 (Facsimile: (212) 269-5420), Attention Daniel J. Zubkoff, Esq. Notices to the Company shall be given c/o the Company at 300 WillowBrook Office Park, Fairport, New York, 14450 (Facsimile: (716) 218-2165), Attention David Sorce, Corporate Counsel, with a copy to McDermott, Will & Emery, 227 West Monroe Street, Chicago, Illinois, 60606-5096 (Facsimile: (312) 984-7700), Attention Bernard Kramer, Esq.

11. This Agreement shall inure to the benefit of and be binding upon the Underwriter, the Company, the Guarantors and any controlling person referred to herein and their respective successors, heirs and legal representatives. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

12. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws provisions thereof.

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If the foregoing is in accordance with your understanding, please sign and return fourteen counterparts hereof.

Very truly yours,

CANANDAIGUA BRANDS, INC.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Executive Vice  
President and Chief Financial Officer

BATAVIA WINE CELLARS, INC.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Treasurer

CANANDAIGUA WINE COMPANY, INC.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Treasurer

CANANDAIGUA EUROPE LIMITED

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Treasurer

CANANDAIGUA LIMITED

By:

/s/ Thomas S. Summer

-----  
Thomas S. Summer, Finance Director

POLYPHENOLICS, INC.

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President and Treasurer

ROBERTS TRADING CORP.

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, President and Treasurer

CANANDAIGUA B.V.

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Authorized Representative

FRANCISCAN VINEYARDS, INC.

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President and Treasurer

ALLBERRY, INC.

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President and Treasurer

CLOUD PEAK CORPORATION

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President and Treasurer

M.J. LEWIS CORP.

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President and Treasurer

MT. VEEDER CORPORATION

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President and Treasurer

BARTON INCORPORATED

By: /s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

BARTON BRANDS, LTD.

By: /s/ Thomas S. Summer  
-----

Thomas S. Summer, Vice President

BARTON BEERS, LTD.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

BARTON BRANDS OF CALIFORNIA, INC.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

BARTON BRANDS OF GEORGIA, INC.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

BARTON CANADA, LTD.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

BARTON DISTILLERS IMPORT CORP.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

BARTON FINANCIAL CORPORATION

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

STEVENS POINT BEVERAGE CO.

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

MONARCH IMPORT COMPANY

By:

/s/ Thomas S. Summer  
-----  
Thomas S. Summer, Vice President

Accepted:

BARCLAYS BANK PLC

By: /s/ Frank Sekula  
Name: Frank Sekula  
Title: Director

SCHEDULE I

Underwriter: Barclays Bank PLC

Underwriting Agreement Dated: May 5, 2000

Registration Statement No.: 333-91587

Title of Securities: 8 1/2% Series C Senior Notes due 2009  
(the "Notes")

Aggregate Principal Amount: (Pounds)80,000,000

Price to Public: 99.5% per Note

Purchase Price: 98.5% per Note

Underwriting Discount: 1.0% per Note

Indenture: Indenture dated as of February 25, 1999, as supplemented by Supplemental Indenture No. 3, dated, August 6, 1999, as further supplemented by Supplemental Indenture No. 4, to be dated as of May 15, 2000, each between the Company, the Guarantors and the Trustee.

Maturity: November 15, 2009

Interest Rate: 8 1/2%

Interest Payment Dates: Interest on the Notes will accrue from the Closing Date and be payable semi-annually on May 15 and November 15 of each year, commencing November 15, 2000.

Optional Redemption Provisions: The Notes are redeemable at any time at the option of the Company in whole or in part, at a redemption price equal to the sum of (i) 100% of the principal amount of the Securities being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal

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and interest on such Securities, discounted to the date of redemption, on a semi-annual basis, at the Adjusted Gilt Rate (as defined in the Prospectus) plus 50 basis points, plus, in each case, accrued interest thereon to the date of redemption.

Mandatory Redemption Provisions: None.

Sinking Fund Provisions: None.

Defeasance Provisions: Standard defeasance and covenant defeasance provisions.

Ratings: Standard & Poor's: BB  
Moody's Investors Service: Ba2

Lockup Provisions: None.

Other Provisions: None.

Closing Date: May 15, 2000

Closing Location: Cahill Gordon & Reindel  
80 Pine Street  
New York, NY 10005

ANNEX I

Form of Opinion of McDermott, Will & Emery

(i) The Company has been duly incorporated, is validly existing and in good standing under the laws of the State of Delaware. The Company has the corporate power and authority to execute, deliver and perform all of its respective obligations under the Notes, the Indenture and the Underwriting Agreement (the "Transaction Documents").

(ii) No consent, approval, authorization, order, registration or qualification of or with any governmental authority or agency or, to our knowledge, any court or similar body is required under the laws of the United States, the State of New York and the General Corporation Law of the State of

Delaware for the execution, delivery or performance of the Transaction Documents by the Company or any Guarantor, as the case may be, except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the securities by the Underwriter (as to which no opinion is required).

(iii) The execution, delivery and performance of the Transaction Documents by the Company and the application of the net proceeds from the sale of the Securities in the manner described in the Prospectus under the caption "Use of Proceeds" do not and will not (A) conflict with the charter and by-laws of the Company, (B) conflict with, constitute a breach of or a default by the Company or any Guarantor, as the case may be, under, or result in the creation or imposition of any lien, security interest or encumbrance upon any of the assets of the Company or any Guarantor, as the case may be, pursuant to the terms of the Credit Agreement or any other indenture, mortgage, deed of trust, loan or credit agreement, bond, debenture, note, lease or other agreement or instrument listed on Exhibit I hereto, (C) contravene the General Corporation Law of the State of Delaware or any statute, rule or regulation under the laws of the United States and the State of New York applicable to the Company or any of its properties or (D) to the knowledge of such counsel, conflict with or violate any judgment, decree or order of any court or governmental agency or court or body applicable to the Company or any of its properties.

(iv) The Transaction Documents have been duly authorized by the Company. The Transaction Documents and the Guarantees have been duly executed and delivered by the Company and each of the Guarantors, as applicable. The sale and the issuance of the Notes, and the execution and delivery thereof, have been duly authorized by requisite corporate action of the Company. The Securities have been duly delivered to the Underwriter by the Company and the Guarantors.

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(v) The Indenture is a valid and binding agreement, enforceable against the Company and each Guarantor in accordance with its terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity). When the Notes and the Guarantees have been authenticated in accordance with the terms of the Indenture, the Notes and the Guarantees will be valid and binding obligations of the Company and the Guarantors, respectively, entitled to the benefits of the Indenture and enforceable against the Company and the Guarantors in accordance with their terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(vi) The Securities and the Indenture conform in all material respects to the descriptions thereof under the caption "Description of the Notes" in the Prospectus and "Description of Debt Securities" in the Basic Prospectus. The statements made in the Prospectus under the captions "Description of the Senior Credit Facilities" and "Certain United States Federal Income Tax Considerations," insofar as they describe certain provisions of the Credit Agreement or matters of law, are accurate in all material respects.

(vii) The Registration Statement was declared effective under the Securities Act as of December 3, 1999, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) of the Rules and Regulations specified in such opinion on the dates specified therein and no stop order suspending the effectiveness of the Registration Statement has been issued and, to the knowledge of such counsel, no proceeding for that purpose is pending or threatened by the Commission.

(viii) As of its date and as of the Closing Date, the Registration Statement and the Prospectus and any further amendments or supplements thereto made by the Company prior to the Closing Date (except for the financial statements, the notes thereto and related schedules and other financial data included therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Securities Act and the Rules and Regulations (except that such counsel will not express any opinion as to the financial statements, schedules and other financial data included therein or incorporated by reference therein or excluded therefrom, or exhibits thereto or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the prospectus except to the extent set forth in paragraph (vi) of this opinion).

(ix) The Indenture conforms as to form in all material respects with the requirements of the Trust Indenture Act and the Trust Indenture Act Rules and Regulations.

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(x) Neither the Company nor any Subsidiary is required to register

under the Investment Company Act of 1940, as amended (the "1940 Act"), as an  
-----  
"investment company" as such term is defined in the 1940 Act.

(xi) Neither the issuance, sale or delivery of the Securities nor the application of the proceeds thereof by the Company as set forth in the Prospectus will violate Regulations T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

Such opinion shall also contain a statement that such counsel has participated in conferences with officers and representatives of the Company and the Subsidiaries, and representatives of the independent accountants of the Company and the Underwriter at which the contents of the Registration Statement and the Prospectus and related matters were discussed and that although such counsel need not pass upon or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus, and need not make any independent check or verification thereof, except as set forth in paragraph (vi) of this form of opinion, based upon the foregoing, no facts came to such counsel's attention to lead such counsel to believe that the Registration Statement or the Prospectus (including the documents incorporated therein by reference (except to the extent statements contained in such documents have been modified or superseded by statements contained in the Prospectus)), as of its date and as of the Closing Date, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading. Such counsel need not express an opinion or belief as to the financial statements, the notes thereto, schedules and other financial data included therein, or incorporated by reference into, or excluded from the Registration Statement or the Prospectus.

In rendering such opinions, such counsel may rely as to matters of fact, to the extent such counsel deems proper, on certificates or statements of responsible officers of the Company and certificates or other written statements of officials of jurisdictions having custody of documents respecting corporate existence or good standing.

EXHIBIT I TO ANNEX I

1. Importer Agreement by and between Barton Beers, Ltd. and Extrade, S.A. de C.V. dated as of November 22, 1996.
2. Indenture dated as of December 27, 1993 among the Company, its subsidiaries and Chemical Bank, as trustee, as amended by (i) the First Supplemental Indenture dated as of August 3, 1994 among the Company, Canandaigua West, Inc., and Chemical Bank, as trustee, (ii) the Second Supplemental Indenture dated as of August 25, 1995 among the Company, V Acquisition Corp. (a subsidiary of the Company now known as The Viking Distillery, Inc.), and Chemical Bank, as trustee, (iii) Third Supplemental Indenture dated as of December 19, 1997 among the Company, Canandaigua Europe Limited, Roberts Trading Corp. and The Chase Manhattan Bank, as trustee, (iv) the Fourth Supplemental Indenture dated as of October 2, 1998 among the Company, Polyphenolics, Inc., and The Chase Manhattan Bank, as trustee, and (v) the Fifth Supplemental Indenture dated as of December 11, 1998 among the Company, Canandaigua B.V., and The Chase Manhattan Bank, as trustee.
3. Indenture with respect to the 8 3/4% Series C Senior Subordinated Notes due 2003 dated as of October 29, 1996 among the Company, its Subsidiaries and Harris Trust and Savings Bank, as trustee, as amended by (i) the First Supplemental Indenture dated as of December 19, 1997 among the Company, Canandaigua Europe Limited, Roberts Trading Corp. and Harris Trust and Savings Bank, (ii) the Second Supplemental Indenture dated as of October 2, 1998 among the Company, Polyphenolics, Inc. and Harris Trust and Savings Bank, and (iii) the Third Supplemental Indenture dated as of December 11, 1998 among the Company, Canandaigua B.V. and Harris Trust and Savings Bank.
4. Indenture dated as of February 25, 1999 among the Company, the Guarantors named therein and Harris Trust and Savings Bank as trustee, as amended by Supplemental Indenture No. 1 dated as of February 25, 1999 among the Company, the Guarantors named therein and Harris Trust and Savings Bank as trustee, as further amended by Supplemental Indenture No. 2 dated as of August 4, 1999 among the Company, the Guarantors named therein and Harris Trust and Savings Bank, as trustee, as further amended by Supplemental Indenture No. 3 dated as of August 6, 1999 among the Company, the New Guarantors named therein and Harris Trust and Savings Bank, as trustee.
5. Barton Incorporated Management Incentive Plan.
6. Barton Brands, Ltd. Deferred Compensation Plan.
7. Marvin Sands Split Dollar Insurance Agreement.
8. Long-Term Stock Incentive Plan, which amends and restates the Canandaigua Wine Company, Inc. Stock Option and Stock Appreciation Right Plan, as



amended by Amendment Number One to the Long-Term Stock Incentive Plan of the Company.

9. Incentive Stock Option Plan of the Company, as amended by Amendment Number One to the Incentive Stock Option Plan of the Company.
10. Annual Management Incentive Plan of the Company, as amended by Amendment Number One to the Annual Management Incentive Plan of the Company.
11. Asset Purchase Agreement dated February 21, 1999 by and among the Company and Diageo Inc., UDV Canada Inc., and United Distillers Canada Inc.
12. Stock Purchase Agreement by and between Canandaigua Wine Company, Inc. and Moet Hennessy, Inc., dated as of April 1, 1999.
13. Stock Purchase Agreement between Franciscan Vineyards, the Selling Shareholders and Selling Stockholders named therein, and Canandaigua Brands, Inc., dated April 21, 1999; Vineyard Purchase Agreement between Canandaigua Brands, Inc. and Eckes Properties, Inc., dated as of April 21, 1999; Vineyard Purchase Agreement between Canandaigua Brands, Inc. and Stonewall Canyon Vineyards, LLC, dated as of April 21, 1999; Grape Purchase Agreement, between Franciscan Vineyards, Inc. Huneus-Chantre Properties, LLC and Canandaigua Brands, Inc., dated as of June 4, 1999, Guaranty, by Canandaigua Brands, Inc. in favor of Huneus-Chantre Properties LLC, dated as of June 4, 1999; Grape Purchase Agreement, between Franciscan Vineyards, Inc. H/Q Vineyards LLC and Canandaigua Brands, Inc.; Guaranty, by Canandaigua Brands, Inc. in favor of H/Q. Vineyards LLC, dated as of June 4, 1999; Wine Processing Agreement, between Franciscan Vineyards, Inc., H/Q Wines LLC and Canandaigua Brands, Inc., dated as of June 4, 1999; Guaranty, by Canandaigua Brands, Inc. in favor of H/Q Wines LLC, dated as of June 4, 1999; ACSA Stock Agreement, among Alto de Casablanca S.A., Franciscan Vineyards, Inc. and Asesoria e Inversiones Leo S.A., dated as of June 1, 1999; EVSA Stock Agreement, among Empresas Vitivinícolas S.A., Franciscan Vineyards, Inc. and Asesoria e Inversiones Leo S.A., dated as of June 1, 1999; ACSA Distribution Agreement, by and between Franciscan Vineyards, Inc., Alto de Casablanca S.A., H/Q Wines LLC, International Brand Management, Ltd. and Canandaigua Brands, Inc., dated as of June 4, 1999.

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14. Credit Agreement, dated as of October 6, 1999 between the Company, the Guarantors party thereto and the Agents and Lenders party thereto.

## ANNEX II

### Form of Opinion of Nixon Peabody LLP

(i) Each of the Subsidiaries of the Company listed on Exhibit I attached hereto (the "Guarantors") is a corporation duly incorporated, in each

-----  
case, validly existing and in good standing under the laws of its respective jurisdiction of incorporation. The Company and each of the Guarantors is duly qualified and in good standing as a foreign corporation in each jurisdiction listed for it on Exhibit II attached hereto. The Company and each Guarantor has all requisite corporate power to own, lease and license its respective properties and conduct its business as now being conducted and as described in the Prospectus. All of the issued and outstanding capital stock of each Guarantor has been duly authorized and validly issued and is fully paid and non-assessable and were not issued in violation of any preemptive or similar rights of stockholders arising under the corporate law of the state of incorporation of such Guarantor, the charter or bylaws of such Guarantor, or, to the best knowledge of such counsel, any agreement to which such Guarantor is party, and, to the best knowledge of such counsel, is owned by the Company, free and clear of any lien, adverse claim, security interest, restriction on transfer, shareholders' agreement, voting trust or other defect of title whatsoever except for the liens under the Credit Agreement.

(ii) The Guarantors have the corporate power and authority to execute, deliver and perform all of their respective obligations under the Underwriting Agreement, the Indenture and the Guarantees. The execution, delivery and performance of the Underwriting Agreement, Indenture, Notes and Guarantees by the Company or any Guarantor, does not and will not (A) conflict with the charter or bylaws of any Guarantor, (B) contravene the General Corporation Law of the State of Delaware or any statute, rule or regulation under the laws of the State of New York applicable to the Guarantors or any of their respective properties, or (C) to the knowledge of such counsel, conflict with or violate any judgment, decree or order of any court or governmental agency or court or body applicable to any of the Guarantors or any of their respective properties.

(iii) The Underwriting Agreement, the Indenture and the Guarantees have been duly authorized, executed and delivered by each Guarantor. The sale and issuance of the Guarantees and the execution and delivery thereof have been duly authorized by requisite corporate action of the Guarantors.

(iv) To the best knowledge of such counsel after due inquiry, except

as described or referred to in the Registration Statement and Prospectus: there is not pending or threatened any action, suit, proceeding, inquiry or investigation, to which the Company or any of the Guarantors is a party, or to which the property of the Company or any

-2-

of the Guarantors is subject, before or brought by any court or governmental agency or body, which, if determined adversely to the Company or any of the Guarantors, will individually or in the aggregate result in any material adverse change in the business, financial position, net worth, results of operations or prospects, or materially adversely affect the properties or assets, of the Company and the Guarantors taken as a whole or will materially adversely affect the consummation of the transactions contemplated by the Prospectus; and all pending legal or governmental proceedings to which the Company or any of the Subsidiaries is a party or that affect any of their respective properties, that are not described in the Registration Statement and Prospectus, including ordinary routine litigation incidental to the business, considered in the aggregate, will not result in a material adverse change in the business, financial position, net worth, results of operations or prospects, or materially adversely affect the properties or assets, of the Company and the Guarantors taken as a whole.

(v) Each of the documents filed by the Company under the Exchange Act and incorporated by reference into the Prospectus (collectively, the "Documents"), at the time it was filed with the Commission, appeared on its face

to be appropriately responsive in all material respects to the requirements of the Exchange Act, and the rules and regulations as promulgated by the Commission under the Exchange Act, except that such counsel need not express any opinion as to the financial statements, schedules, and other financial data included therein or incorporated by reference therein, or excluded therefrom or the exhibits thereto (except to the extent set forth in the next sentence of this paragraph) and such counsel need not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Documents. To such counsel's knowledge without having made any independent investigation and based upon representations of officers of the Company as to factual matters, there were no contracts or documents required to be filed as exhibits to such Documents on the date they were filed which were not so filed.

EXHIBIT I TO ANNEX II

Guarantors  
-----

<TABLE> <CAPTION> Guarantor -----	State of Incorporation -----
<S> Barton Incorporated	<C> Delaware
Barton Brands, Ltd.	Delaware
Batavia Wine Cellars, Inc.	New York
Canandaigua Wine Company, Inc.	New York
Franciscan Vineyards, Inc.	Delaware

EXHIBIT II TO ANNEX II  
-----

<TABLE> <CAPTION> Company -----	Foreign Qualifications -----
<S> Canandaigua Brands, Inc.	<C> New York California Florida Georgia Michigan Oklahoma New Hampshire North Carolina New Jersey
Barton Incorporated	None
Barton Brands, Ltd.	California Kentucky

	Illinois
	Florida
	Maine
	Oklahoma
	New Hampshire
	North Carolina
	New Jersey
	West Virginia
Batavia Wine Cellars, Inc.	New Jersey
Canandaigua Wine Company, Inc.	California
	Washington
	Oregon
Franciscan Vineyards	California

</TABLE>

ANNEX III

-----

Form of Opinion of Clifford Chance and Piper Marbury Rudnick & Wolfe LLP

(i) [ ]/1/ (the "Company") has been duly organized and is validly  
-----  
existing as a corporation and is in good standing under the laws of its  
jurisdiction of incorporation.

(ii) The Company has the corporate power and authority to execute,  
deliver and perform its obligations under the Underwriting Agreement, the  
Indenture and the Guarantee. The Indenture, the Underwriting Agreement and the  
Guarantee have been duly authorized for execution and delivery by the Company.  
The sale and issuance by the Company of its Guarantee and the execution and  
delivery thereof has been duly authorized by requisite corporation action of the  
Company.

(iii) The execution, delivery, and performance by the Company of the  
Underwriting Agreement, the Indenture and the Guarantee does not and will not  
(A) conflict with the charter or By-Laws of the Company, (B) contravene and  
statute, rule or regulation under the laws of its jurisdiction of incorporation  
applicable to the Company and its properties, or (c) to counsel's knowledge,  
conflict with or violate any judgment, decree or order of any court or  
governmental agency or court or body applicable to the Company and its  
properties (except that no opinion need be expressed with respect to the  
securities or Blue Sky laws of its jurisdiction of incorporation)./2/

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- -----

/1/ This opinion will be given as to Canadaigua Limited by Clifford Chance and  
as to Barton Beers, Ltd. by Piper Marbury Rudnick & Wolfe LLP.

/2/ For purposes of the Clifford Chance opinion only, paragraph (iii) (c) of  
this form of opinion may be substituted for by an officer's certificate.

## FORM OF SUPPLEMENTAL INDENTURE NO. 4

CANANDAIGUA BRANDS, INC.,

as Issuer,

the Guarantors named herein

and

HARRIS TRUST AND SAVINGS BANK,

as Trustee

Supplemental Indenture No. 4

Dated as of May 15, 2000

(pound) 300,000,000.00

8 1/2% Series C Senior Notes due 2009

## CROSS-REFERENCE TABLE

TIA Section	Indenture Section	Supplemental Indenture Section
310 (a) (1)	11.5	
(a) (2)	11.5	
(a) (3)	N.A.	N.A.
(a) (4)	N.A.	N.A.
(b)	11.4, 11.5	
(c)	N.A.	N.A.
311 (a)	11.9 (a), (c)	
(b)	11.9 (b), (c)	
(c)	N.A.	N.A.
312 (a)	11.11	2.06
(b)	11.11	
(c)	11.10 (a)	
313 (a)	N.A.	N.A.
(b) (1)	11.10 (b)	
(b) (2)	11.10 (c)	
(c)	11.10 (c)	
(d)	11.10 (c)	
314 (a)	4.02; 4.07	4.6
(b)	N.A.	N.A.
(c) (1)	3.8	
(c) (2)	3.8	
(c) (3)	N.A.	N.A.
(d)	N.A.	N.A.
(e)	3.8	11.05
(f)	N.A.	N.A.
315 (a)	11.1 (a), (b)	
(b)	11.3	
(c)	11.1 (a)	
(d)	11.1 (a), 11.1 (b)	
(e)	7.7	
316 (a) (last sentence)		2.10
(a) (1) (A)	7.6	
(a) (1) (B)	7.1, 7.5	6.03
(a) (2)		8.02
(b)	7.7	
(c)	N.A.	N.A.
317 (a) (1)	7.2	
(a) (2)	7.2	
(b)		2.05
318 (a)	3.4	

N.A. means Not Applicable

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

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SUPPLEMENTAL INDENTURE NO. 4, dated as of May 15, 2000 (the "Supplemental Indenture"), between CANANDAIGUA BRANDS, INC., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), the guarantors named herein and from time to time parties hereto, and HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company has heretofore delivered to the Trustee an Indenture, dated as of February 25, 1999 (the "Indenture"), as supplemented or amended, a form of which has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, as an exhibit to the Company's Registration Statement on Form S-3 (Registration No. 333-91587), providing for the issuance from time to time of Debt Securities of the Company.

WHEREAS, Sections 2.1 and 2.2 of the Indenture provide for various matters with respect to any series of Debt Securities issued under the Indenture to be established in an indenture supplemental to the Indenture.

WHEREAS, Section 12.1 of the Indenture provides for the Company and the Trustee to enter into an indenture supplemental to the Indenture to establish the form or terms of Debt Securities of any series as provided by Sections 2.1 and 2.2 of the Indenture.

WHEREAS, all the conditions and requirements necessary to make this Supplemental Indenture, when duly executed and delivered, a valid and binding agreement in accordance with its terms and for the purposes herein expressed, have been performed and fulfilled.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the series of Debt Securities provided for herein by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE 1

RELATION TO INDENTURE; DEFINITIONS

Section 1.01. Relation to Indenture.

This Supplemental Indenture constitutes an integral part of the Indenture.

Section 1.02. Definitions.

For all purposes of this Supplemental Indenture, except as otherwise expressly provided for or unless the context otherwise requires:

(1) Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Indenture;

(2) All references herein to Articles and Sections, unless otherwise

specified, refer to the corresponding Articles and Sections of this Supplemental Indenture; and

(3) To the extent terms defined herein differ from the Indenture the terms defined herein will govern.

"144A Global Note(s)" means one or more Note(s) in the form set forth in Exhibit A, bearing the Private Placement Legend and sold in reliance on Rule 144A.

"Acquired Indebtedness" means Indebtedness of a Person (i) existing at the time such Person becomes a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Restricted Subsidiary.

"Additional Amounts" has the meaning set forth in Section 4.09.

"Additional Interest" any amounts required to be paid by the Company to Holders of Restricted Notes pursuant to a valid registration rights agreement among the Company, the Guarantors and the initial purchasers of such Restricted Notes.

"Additional Notes" means, subject to the Company's compliance with Section 4.10, 8 1/2% Series C Senior Notes Due 2009, issued from time to time after May 15, 2000 under the terms of this Supplemental Indenture and the Indenture, including, without limitation any Notes issued in an exchange offer registered in the Securities Act for the Series B Senior Notes (other than Notes issued pursuant to Sections 2.07, 2.08, 2.11, 3.06 and 4.16 of this Supplemental Indenture or Section 12.5 of the Indenture and other than Notes issued pursuant to an exchange offer for Notes outstanding under this Supplemental Indenture and the Indenture).

"Adjusted Gilt Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Gilt Issue, assuming a price for the Comparable Gilt Issue (expressed as a percentage of its principal amount) equal to the Comparable Gilt Price for such redemption date.

"Affiliate" means, with respect to any specified Person: (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; (ii) any other Person that owns, directly or indirectly, 5% or more of such Person's Capital Stock or any officer or director of any such Person or other Person or, with respect to any natural Person, any person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin; or (iii) any other Person 10% or more of the voting Capital Stock of which is beneficially owned or held directly or indirectly by such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Procedures" means, with respect to any transfer, exchange or other transaction involving a Global Note or beneficial interest therein, the rules and provisions of DTC and the "Operating Procedures of the Euroclear System," and "Terms and Conditions Governing Use of Euroclear," "General Terms and Conditions of Clearstream" and "Customer Handbook" of Clearstream, in each case, to the extent applicable to such transaction and as in effect at the time of such transaction.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or Sale and Leaseback Transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions of: (i) any Capital Stock of any Re-

stricted Subsidiary; (ii) all or substantially all of the properties and assets of any division or line of business of the Company or its Restricted Subsidiaries; or (iii) any other properties or assets of the Company or any Restricted Subsidiary, other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include (x) any transfer of properties and assets (A) that is governed by Section 5.01(a) or (B) that is of the Company to any Restricted Subsidiary, or of any Subsidiary to the Company or any Subsidiary in accordance with the terms of this Supplemental Indenture and the Indenture or (y) transfers of properties and assets in any given fiscal year with an aggregate Fair Market Value of less than \$3,000,000.



"Asset Swap" means the execution of a definitive agreement, subject only to customary closing conditions that the Company in good faith believes will be satisfied, for a substantially concurrent purchase and sale, or exchange, of Productive Assets between the Company or any of its Restricted Subsidiaries and another Person or group of affiliated Persons; it being understood that an Asset Swap may include a cash equalization payment made in connection therewith provided that such cash payment, if received by the Company or its Subsidiaries, shall be deemed to be proceeds received from an Asset Sale and applied in accordance with Section 4.14.

"Average Life to Stated Maturity" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

"Bankruptcy Law" means Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States Federal or state law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"Book-Entry Interest" means an indirect beneficial interest in a Global Note shown on, and transferred only through, records maintained in book-entry form by DTC, or Euroclear and Clearstream.

"Borrowing Base" means the sum of (i) 85% of accounts receivable of the Company and its Subsidiaries and (ii) 50% of the net book value of the inventory of the Company and its Subsidiaries, in each case, as determined on a consolidated basis in accordance with GAAP.

"Business Day" means a day that, in the City of New York and London, is not a day upon which banking institutions are authorized or required by law, or by executive order issued by a governmental authority or agency regulating such banking institutions, to close.

"Capital Lease Obligation" means any obligations of the Company and its Restricted Subsidiaries on a Consolidated basis under any capital lease of real or personal property which, in accordance with GAAP, has been recorded as a capitalized lease obligation.

"Capital Stock" of any Person means any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock.

"Change of Control" means the occurrence of any of the following events: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 30% of the voting power of the total outstanding Voting Stock of the Company voting as one class, provided that the Permitted Holders "beneficially own" (as so defined) a percentage of Voting Stock having a lesser percentage of the voting power than such other Person and do not have the right or ability by voting power, con-

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tract or otherwise to elect or designate for election a majority of the Board of Directors of the Company; (ii) 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 to such Board or whose nomination for election by the shareholders of the Company was approved by a vote of 66 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such Board of Directors then in office; (iii) the Company consolidates with or merges with or into any Person or conveys, transfers or leases all or substantially all of its assets to any Person, or any corporation consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is changed into or exchanged for cash, securities or other property, other than any such transaction where the outstanding Voting Stock of the Company is not changed or exchanged at all (except to the extent necessary to reflect a change in the jurisdiction of incorporation of the Company) or where (A) the outstanding Voting Stock of the Company is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Redeemable Capital Stock or (y) cash, securities and other property (other than Capital Stock of the surviving corporation) in an amount which could be paid by the Company as a Restricted Payment in accordance with Section 4.11 (and such amount shall be treated as a Restricted Payment subject to the provisions set forth in Section 4.11) and (B) no "person" or "group" other than Permitted Holders owns immediately after such

transaction, directly or indirectly, more than the greater of (1) 30% of the voting power of the total outstanding Voting Stock of the surviving corporation voting as one class and (2) the percentage of such voting power of the surviving corporation held, directly or indirectly, by Permitted Holders immediately after such transaction; or (iv) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described in Section 5.01.

"Change of Control Offer" shall have the meaning set forth in Section 4.16(a).

"Change of Control Purchase Date" shall have the meaning set forth in Section 4.16(a).

"Change of Control Purchase Price" shall have the meaning set forth in Section 4.16(a).

"Clearstream" means Clearstream Banking, formerly Cedelbank, societe anonyme.

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

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

"Common Depositary" shall have the meaning set forth in Section 2.01.

"Company" means Canandaigua Brands, Inc., a corporation incorporated under the laws of Delaware, until a successor Person shall have become such pursuant to the applicable provisions of this Supplemental Indenture and the Indenture, and thereafter "Company" shall mean such successor Person.

"Comparable Gilt Issue" means a United Kingdom Government Obligation selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"Comparable Gilt Price" means, with respect to any redemption date, (i) the average of the Reference Gilt Dealer Quotations for such redemption date, after excluding the highest and lowest such Refer-

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ence Gilt Dealer Quotations, or (ii) if the Trustee obtains fewer than three such Reference Gilt Dealer Quotations, the average of all such Quotations.

"Consolidated Fixed Charge Coverage Ratio" of the Company means, for any period, the ratio of (a) the sum of Consolidated Net Income (Loss), Consolidated Interest Expense, Consolidated Income Tax Expense and Consolidated Non-cash Charges deducted in computing Consolidated Net Income (Loss) in each case, for such period, of the Company and its Restricted Subsidiaries on a Consolidated basis, all determined in accordance with GAAP to (b) the sum of Consolidated Interest Expense for such period and cash and non-cash dividends paid on any Preferred Stock of the Company and its Restricted Subsidiaries during such period; provided that (i) in making such computation, the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a pro forma basis and (A) bearing a floating interest rate, shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (B) which was not outstanding during the period for which the computation is being made but which bears, at the option of the Company, a fixed or floating rate of interest, shall be computed by applying at the option of the Company, either the fixed or floating rate and (ii) in making such computation, the Consolidated Interest Expense of the Company attributable to interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period.

"Consolidated Income Tax Expense" means for any period, as applied to the Company, the provision for federal, state, local and foreign income taxes of the Company and its Restricted Subsidiaries for such period as determined in accordance with GAAP on a Consolidated basis.

"Consolidated Interest Expense" of the Company means, without duplication, for any period, the sum of (a) the interest expense of the Company and its Restricted Subsidiaries for such period, on a Consolidated basis, including, without limitation, (i) amortization of debt discount, (ii) the net cost under interest rate contracts (including amortization of discounts), (iii) the interest portion of any deferred payment obligation and (iv) accrued

interest, plus (b) (i) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by the Company and its Restricted Subsidiaries during such period and (ii) all capitalized interest of the Company and its Restricted Subsidiaries, in each case as determined in accordance with GAAP on a Consolidated basis. Whenever pro forma effect is to be given to an acquisition or disposition of assets for the purpose of calculating the Consolidated Fixed Charge Coverage Ratio, the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection with such acquisition or disposition of assets shall be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, as in effect on the date of such calculation.

"Consolidated Net Income (Loss)" of the Company means, for any period, the Consolidated net income (or loss) of the Company and its Restricted Subsidiaries for such period as determined in accordance with GAAP on a Consolidated basis, adjusted, to the extent included in calculating such net income (loss), by excluding, without duplication: (i) all extraordinary gains or losses (less all fees and expenses relating thereto); (ii) the portion of net income (or loss) of the Company and its Restricted Subsidiaries allocable to minority interests in unconsolidated Persons to the extent that cash dividends or distributions have not actually been received by the Company or one of its Restricted Subsidiaries; (iii) net income (or loss) of any Person combined with the Company or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination; (iv) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan; (v) net gains (but not losses) (less all fees and expenses relating thereto) in respect of dispositions of assets other than in the ordinary course of business; or (vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders. Whenever pro forma effect is to be given to an acquisition or disposition of assets for the purpose of calculating the Consolidated Fixed Charge Coverage Ratio, the amount of income or

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earnings related to such assets shall be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, as in effect on the date of such calculation.

"Consolidated Net Tangible Assets" means with respect to any Person, as of any date of determination, the book value of such Person's total assets, less goodwill, deferred financing costs and other intangibles and less accumulated amortization, shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Worth" of any Person means the Consolidated stockholders' equity (excluding Redeemable Capital Stock) of such Person and its subsidiaries, as determined in accordance with GAAP on a Consolidated basis.

"Consolidated Non-cash Charges" of the Company means, for any period, the aggregate depreciation, amortization and other non-cash charges of the Company and its Consolidated Restricted Subsidiaries for such period, as determined in accordance with GAAP on a Consolidated basis (excluding any non-cash charge which requires an accrual or reserve for cash charges for any future period).

"Consolidation" means, with respect to any Person, the consolidation of the accounts of such Person and each of its subsidiaries if and to the extent the accounts of such Person and each of its subsidiaries would normally be consolidated with those of such Person, all in accordance with GAAP. The term "Consolidated" shall have a similar meaning.

"Credit Agreement" means the Credit Agreement, dated as of October 6, 1999, between the Company, the Subsidiaries of the Company identified on the signature pages thereof, the lenders named therein and The Chase Manhattan Bank, as administrative agent, including any deferrals, renewals, extensions, replacements, refinancings or refundings thereof or amendments, modifications or supplements thereto and any agreements therefor (including any of the foregoing that increase the principal amount of Indebtedness or the commitments to lend thereunder and have been made in compliance with the provisions of Section 4.10; provided that, for purposes of the definition of "Permitted Indebtedness," no such increase may result in the principal amount of Indebtedness of the Company under the Credit Agreement exceeding the amount permitted by subparagraph (b)(i) of Section 4.10), whether by or with the same or any other lender, creditor, group of lenders or group of creditors, and including related notes, guarantees and note agreements and other instruments and agreements executed in connection therewith.

"Custodian" shall have the meaning set forth in Section 2.01.

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

"Definitive Notes" means the Restricted Definitive Notes and the Unrestricted Definitive Notes.

"Depository" means any of the DTC, Euroclear or Clearstream.

"Designation" has the meaning set forth in Section 4.19.

"Designation Amounts" has the meaning set forth in Section 4.19.

"Domestic Restricted Subsidiary" means a Restricted Subsidiary of the Company organized under the laws of the United States or any political subdivision thereof or the operations of which are located substantially inside the United States.

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"DTC" means the Depository Trust Company.

"DTC Global note" means a Global Note held in the name of Cede & Co. on behalf of DTC.

"Euroclear" means Morgan Guaranty Trust Company of New York (Brussels office) as operator of the Euroclear system.

"Excess Proceeds" has the meaning set forth in Section 4.14(b).

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

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy.

"Foreign Restricted Subsidiary" means a Restricted Subsidiary of the Company not organized under the laws of the United States or any political subdivision thereof and the operations of which are located substantially outside of the United States.

"GAAP" or "Generally Accepted Accounting Principles" means generally accepted accounting principles in the United States, consistently applied, which are in effect on the date of this Supplemental Indenture.

"Global Notes" or "Global Securities" means the 144A Global Note(s), the Regulation S Global Note(s) and any Unrestricted Global Notes.

"Guarantee" means the guarantee by each Guarantor of the Company's Indenture Obligations pursuant to a guarantee given in accordance with this Supplemental Indenture, including the Guarantees by the Guarantors and any Guarantee delivered pursuant to the provisions of Section 4.15.

"Guaranteed Debt" of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of "Indebtedness" contained in this Section 1.01 guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (iii) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered), (iv) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or (v) otherwise to assure a creditor against loss; provided that the term "guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Guarantor" means the Subsidiaries listed on the signature pages of this Supplemental Indenture as guarantors and each other Subsidiary required to become a Guarantor after the Issue Date, pursuant to Section 4.15.

"Hedging Agreement" means, with respect to any Person, all interest rate swap or similar agreements or foreign currency or commodity hedge, exchange or similar agreements of such Person.

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"Hedging Obligations" means, with respect to any Person, the Obligations of such Person under Hedging Agreements.

"Holders" mean the registered holders of the Notes.

"Incur" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including 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" and "Incurring" shall have meanings correlative to the foregoing). Indebtedness of any Acquired Person or any of its Subsidiaries existing at the time such Acquired Person becomes a Subsidiary (or is merged into or consolidated with the Company or any Subsidiary), whether or not such Indebtedness was Incurred in connection with, as a result of, or in contemplation of, such Acquired Person becoming a Subsidiary (or being merged into or consolidated with the Company or any Subsidiary), shall be deemed Incurred at the time any such Acquired Person becomes a Subsidiary or merges into or consolidates with the Company or any Subsidiary.

"Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities and in connection with any agreement to purchase, redeem, exchange, convert or otherwise acquire for value any Capital Stock of such Person, or any warrants, rights or options to acquire such Capital Stock, now or hereafter outstanding, (ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business, (iv) all Hedging Obligations of such Person, (v) all Capital Lease Obligations of such Person, (vi) all Indebtedness referred to in clauses (i) through (v) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, (vii) all Guaranteed Debt of such Person, (viii) all Redeemable Capital Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends, and (ix) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (viii) above. For purposes hereof, the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Supplemental Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value to be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock.

"Indenture Obligations" means the obligations of the Company and any other obligor under this Supplemental Indenture and the Indenture or under the Notes, including any Guarantor, to pay principal of, premium, if any, and interest when due and payable, and all other amounts due or to become due under or in connection with this Supplemental Indenture and the Indenture, the Notes and the performance of all other obligations to the Trustee and the Holders under this Supplemental Indenture and the Indenture and the Notes, according to the terms hereof or thereof.

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"Insolvency or Liquidation Proceeding" means, with respect to any Person, any liquidation, dissolution or winding up of such Person, or any bankruptcy, reorganization, insolvency, receivership or similar proceeding with respect to such Person, whether voluntary or involuntary.

"Interest Payment Date" means each semiannual interest payment date on May 15 and November 15 of each year, commencing on May 15, 2000.

"Investments" means, with respect to any Person, directly or indirectly, any advance, loan (including guarantees), or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities issued or owned by, any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Investment Grade" means a rating of (i) BBB- or higher by S&P and Ba1 or higher by Moody's or (ii) Baa3 or higher by Moody's and BB+ or higher by S&P.

"Issue Date" means May 15, 2000.

"Lien" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired.

"Maturity" when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein provided or as provided in this Supplemental Indenture and the Indenture, whether at Stated Maturity, the Offer Date or the redemption date and whether by declaration of acceleration, Offer in respect of Excess Proceeds, Change of Control, call for redemption or otherwise.

"Moody's" means Moody's Investor Services, Inc. or any successor thereto.

"Net Cash Proceeds" means (a) with respect to any Asset Sale by any Person, the proceeds thereof in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of (i) brokerage commissions and other actual fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale, (iv) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (v) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee and (b) with respect to any issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock, as referred to in Section 4.11, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorneys' fees, accountants' fees and brokerage, consultation, underwriting and other fees and ex-

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penses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Note Amount" has the meaning specified in Section 4.14(c) hereof.

"Notes" means (pound)80.0 million aggregate principal amount of the Company's 8 1/2% Series C Senior Notes Due 2009, issued pursuant to this Supplemental Indenture on the Issue Date and any Additional Notes, treated as a single class of securities, as amended or supplemented from time to time in accordance with the terms of this Supplemental Indenture and the Indenture.

"Obligations" means any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursement obligations, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offer" has the meaning set forth in Section 4.14(c) hereof.

"Offer Date" has the meaning set forth in Section 4.14(c) hereof.

"Offered Price" has the meaning set forth in Section 4.14(c) hereof.

"Officer" means, with respect to any Person, the chairman of the board, president or any vice president (regardless of vice presidential designation), chief financial officer, treasurer, any assistant treasurer, secretary or assistant secretary of such Person.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, President or any Vice President (regardless of Vice Presidential designation), and by its Chief Financial Officer, Treasurer, any Assistant

Treasurer, Secretary or Assistant Secretary of the Company, in their capacities as such officers of the Company and delivered to the Trustee. Each such certificate shall include the statements provided in Section 11.05, if and to the extent required by the provisions thereof.

"Opinion of Counsel" means an opinion in writing signed by legal counsel (who may be an employee of the Company) acceptable in form and substance to the Trustee and delivered to the Trustee. Such opinion shall include the statements provided for in Section 11.05, if and to the extent required by the provisions thereof.

"Other Indebtedness" has the meaning set forth in Section 4.15 hereof.

"Pari Passu Indebtedness" means any Indebtedness of the Company or a Guarantor that is pari passu in right of payment with the Notes or a Guarantee, as the case may be.

"Pari Passu Offer" has the meaning set forth in Section 4.14(c) hereof.

"Participant" means, with respect to DTC, Euroclear or Clearstream, Persons who have accounts with DTC, Euroclear or Clearstream, respectively (and with respect to DTC, shall include Euroclear and Clearstream).

"Permitted Holders" means as of the date of determination (i) Marilyn Sands, Richard Sands and Robert Sands; (ii) family members or the relatives of the Persons described in clause (i) or the Mac and Sally Sands Foundation, Incorporated; (iii) any trusts created for the benefit of the Persons described in clauses (i), (ii) or (v) or for the benefit of Andrew Stern or any trust for the benefit of any such trust; (iv) any partnerships that are controlled by (and a majority of the partnership interests in which are owned by) any of the Persons described in clauses (i), (ii), (iii) or (v) or by any partnership that satisfies the conditions of this clause (iv); or (v) in the case of Marvin Sands and in the event of the incompetence or death of any of the per-

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sons described in clauses (i) and (ii), such Person's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company.

"Permitted Indebtedness" has the meaning set forth in Section 4.10.

"Permitted Investment" means (i) Investments in any Wholly Owned Restricted Subsidiary or any Person which, as a result of such Investment, becomes a Wholly Owned Restricted Subsidiary; (ii) Indebtedness of the Company or a Restricted Subsidiary described under clauses (iv) and (v) of the definition of "Permitted Indebtedness"; (iii) Temporary Cash Investments; (iv) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under Section 4.14 to the extent such Investments are non-cash proceeds as permitted under such covenant; (v) guarantees of Indebtedness otherwise permitted by this Supplemental Indenture and the Indenture; (vi) Investments in existence on the date of this Supplemental Indenture; and (vii) Investments in joint ventures in an aggregate amount not to exceed at any one time the greater of (x) \$50.0 million and (y) 5.0% of Consolidated Net Tangible Assets.

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

"Post-Petition Interest" means, with respect to any Indebtedness of any Person, all interest accrued or accruing on such Indebtedness after the commencement of any Insolvency or Liquidation Proceeding against such Person in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing such Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"Preferred Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's preferred stock, whether now outstanding or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock.

"Principal Paying Agent" has the meaning provided in Section 2.03.

"Private Placement Legend" has the meaning provided in Section 2.16.

"Productive Assets" means assets of a kind used or usable by the Company and its Restricted Subsidiaries in their respective businesses (including, without limitation, contracts, leases, licenses or other agreements of value to the Company or any of its Restricted Subsidiaries), provided, however, that productive assets to be acquired by the Company or any Restricted Subsidiary shall be, in the good faith judgment of management of the Company or such Restricted Subsidiary, assets which are reasonably related, ancillary or complementary to the business of the Company and its Restricted Subsidiaries as conducted on the Issue Date.

"Qualified Capital Stock" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"Qualified Institutional Buyer" shall have the meaning specified in Rule 144A promulgated under the Securities Act.

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"Quotation Agent" means the Reference Gilt Dealer appointed by the Company.

"Redeemable Capital Stock" means any Capital Stock that, either by its terms or by the terms of any security into which it is convertible or exchangeable or otherwise, is or upon the happening of an event (other than as a result of a change of control provision substantially similar to that contained in Section 4.16) or passage of time would be, required to be redeemed prior to any Stated Maturity of the principal of the Notes or is redeemable at the option of the holder thereof at any time prior to any such Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to any such Stated Maturity at the option of the holder thereof.

"Redemption Date" when used with respect to any Note to be redeemed means the date fixed for such redemption pursuant to the terms of this Supplemental Indenture and the Indenture.

"Redemption Price" means, with respect to any Note to be redeemed, the price fixed for such redemption pursuant to the terms of this Supplemental Indenture and the Indenture.

"Reference Gilt Dealer" means each of (x) Barclays Bank PLC and its respective successors; provided, however, that if the foregoing shall cease to be a primary United Kingdom Government Obligations dealer in London (a "Primary U.K. Government Obligations Dealer"), the Company shall substitute therefor another Primary U.K. Government Obligations Dealer; and (y) any other Primary U.K. Government Obligations Dealer selected by the Company.

"Reference Gilt Dealer Quotations" means, with respect to each Reference Gilt Dealer and any redemption date, the average, as determined by the Company, of the bid and asked prices for the Comparable Gilt Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Gilt Dealer at 11:00 a.m., London time, on the third business day preceding such redemption date.

"Registrar" has the meaning set forth in Section 2.03.

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

"Regulation S Global Note(s)" means one or more Notes in the form set forth in Exhibit A, bearing the Private Placement Legend and sold in reliance on Regulation S.

"Responsible Officer" means, with respect to the Trustee, any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend issued in registered form without coupons in a principal amount of (pound)1,000 or integral multiples thereof.

"Restricted Definitive Notes" means the Restricted Definitive Notes and any other Notes that require the Private Placement Legend (or a substantially similar legend) as are in definitive form.

"Restricted Global Notes" means the 144A Global Note(s), the Regulation S Global Note(s) and any other Notes that require the Private Placement Legend (or a substantially similar legend) held in global form.

"Restricted Notes" means the Restricted Global Note(s) and the Restricted Definitive Notes.

"Restricted Payment" has the meaning set forth in Section 4.11.



"Restricted Subsidiary" means any Subsidiary of the Company that has not been designated by the Board of Directors of the Company, by a resolution of the Board of Directors of the Company delivered to the Trustee, as an Unrestricted Subsidiary pursuant to Section 4.19. Any such designation may be revoked by a resolution of the Board of Directors of the Company delivered to the Trustee, subject to the provisions of such covenant.

"Restricted Security" has the meaning 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 Security.

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

"Sale and Leaseback Transaction" means any transaction or series of related transactions pursuant to which the Company or a Restricted Subsidiary sells or transfers any property or asset in connection with the leasing, or the resale against installment payments, of such property or asset to the seller or transferor.

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

"Series B Senior Notes" means such of the Company's 8 1/2 Series B Senior Notes Due 2009, issued pursuant to an indenture, dated as of November 17, 1999, among the Company, the Guarantors and the Trustee, that are outstanding on the Issue Date.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or any successor thereto.

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

"Sterling" or "(pound)" means the lawful currency of the United Kingdom that is legal tender for the payment of public and private debts, as in effect from time to time.

"Subordinated Indebtedness" means Indebtedness of the Company or a Guarantor subordinated in right of payment to the Notes or a Guarantee, as the case may be.

"Subsidiary" means any Person a majority of the equity ownership or the Voting Stock of which is at the time owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

"Temporary Cash Investments" means: (i) any evidence of Indebtedness of a Person, other than the Company or its Subsidiaries, maturing not more than one year after the date of acquisition, issued by the United States of America or the United Kingdom, or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the United States of America or the United Kingdom, (ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than \$500,000,000, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or any successor rating agency or "A-1" (or higher) according to S&P or any successor rating agency, (iii) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or

higher) according to S&P and (iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of \$500,000,000.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as amended.

"United Kingdom Government Obligations" means direct non-callable obligations of the United Kingdom for the payment of which the full faith and credit of the United Kingdom is pledged.

"Unrestricted Definitive Note" means one or more Notes in the form set forth in Exhibit B that do not and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means one or more Notes in the form set forth in Exhibit A that do not and are not required to bear the Private Placement Legend.

"Unrestricted Notes" means the Unrestricted Global Notes and the Unrestricted Definitive Notes.

"Unrestricted Subsidiary" means any Subsidiary of the Company designated as such pursuant to Section 4.19. Any such designation may be revoked by a resolution of the Board of Directors of the Company delivered to the Trustee, subject to the provisions of Section 4.19.

"Voting Stock" means stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means any Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares and up to 5% of the issued and outstanding Capital Stock which may be owned by executive officers of such Subsidiary) is owned by the Company or another Wholly Owned Restricted Subsidiary.

#### Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the portion of such provision required to be incorporated herein in order for this Indenture to be qualified under the TIA is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes and the Guarantees.

"indenture securityholder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

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

All other terms used in this Indenture that are defined by the TIA, defined in the TIA by reference to another statute or defined by Commission rule have the meanings therein assigned to them.

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#### Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it herein, whether defined expressly or by reference;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

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

(5) words used herein implying any gender shall apply to every gender.

### ARTICLE 2

#### THE NOTES

The following provisions of this Article Two shall apply to the Notes (but not with respect to any other series of Debt Securities) and shall replace in its entirety the provisions set forth in Article II of the Indenture (but not with respect to any other series of Debt Securities).

#### Section 2.01. Form and Dating.

(a) Global Notes. Notes issued and sold pursuant to an effective registration statement under the Securities Act, issued pursuant to an effective exchange offer registration statement under the Securities Act for the Company's outstanding Series B Senior Notes or issued in accordance with Section 2.07(b)(iii) and 2.07(e), shall be issued in the form of Unrestricted Global

Notes and deposited with Citibank N.A., London, as custodian (in such capacity, the "Custodian") on behalf of DTC or with Citibank N.A., London, as common depositary (in such capacity, the "Common Depositary") on behalf of Euroclear and Clearstream, as the case may be. Notes offered and sold to Qualified Institutional Buyers in reliance on Rule 144A shall be issued initially in the form of a 144A Global Note, which shall be duly executed by the Company and authenticated by the Trustee as hereinafter provided and deposited with the Custodian on behalf of DTC. Notes offered and sold in reliance on Regulation S shall be issued initially in the form of a Regulation S Global Note, which shall be duly executed by the Company and authenticated by the Trustee as hereinafter provided and deposited with the Common Depositary on behalf of Euroclear and Clearstream.

Each Global Note shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and shall provide that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, transfers of interests therein, redemptions and repurchases in accordance with the terms of this Supplemental Indenture and the Indenture; provided that, the maximum principal amount of all Notes shall never exceed (pound)300.0 million issued and outstanding at any one time except as provided in Section 2.08. Any endorsement of the Schedule to a Global Note to reflect the amount of any increase or decrease in the principal amount of outstanding Notes represented thereby shall be made by the Registrar in accordance with Sections 2.07, 3.07, 3.08, 4.14 and 4.16 hereof.

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Except as set forth in Section 2.07(a) hereof, the Global Notes may be transferred, in whole and not in part, only to a successor of the relevant Depositary on whose behalf such note is held.

(b) Definitive Notes. Definitive Notes issued upon transfer of a Book-Entry Interest or a Definitive Note, or in exchange for a Book-Entry Interest or a Definitive Note, shall be issued in accordance with this Supplemental Indenture and the Indenture, duly executed by the Company and authenticated by the Trustee as hereinafter provided.

(c) Book-Entry Provisions. None of the Depositaries or any of their respective Participants shall have any rights either under this Supplemental Indenture or the Indenture or under any Global Note with respect to such Global Note held on their behalf by the Custodian or the Common Depositary. 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 Custodian or the Common Depositary or impair, as between the Custodian or the Common Depositary and the Depositaries and their respective Participants, the operation of customary practices of such Depositary governing the exercise of the rights of an owner of a beneficial interest in any Global Note.

(d) Note Forms. The provisions of the form of Notes contained in Exhibits A and B hereto are incorporated herein by reference. The Notes issued on the Issue Date will be issued in the form of Exhibit A and title thereto will pass by delivery. Additional Notes may be issued in the form of either Exhibit A or Exhibit B, as the case may be. Notes will be issued in denominations of (pound)1,000 and integral multiples thereof. In no event will Definitive Notes in bearer form be issued.

(e) Dating. Each Note shall be dated the date of its authentication.

#### Section 2.02. Execution and Authentication.

An Officer shall execute the Notes on behalf of the Company by manual or facsimile signature. The Company's seal may but need not be impressed, affixed, imprinted or reproduced on the Notes.

If the Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note or at any time thereafter, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. Such signature shall be conclusive evidence that the Note has been authenticated under this Supplemental Indenture and the Indenture.

The Trustee shall authenticate Notes on the Issue Date in an aggregate principal amount not to exceed (pound)80.0 million and thereafter, from time to time, in an aggregate principal amount not to exceed (pound)300.0 million at any one time outstanding, in each case, upon receipt of an Officers' Certificate signed by an Officer directing the Trustee to authenticate the Notes and certifying that all conditions precedent to the issuance of the Notes contained herein have been complied with.

The Trustee may appoint an authenticating agent acceptable to the

Company to authenticate Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Supplemental Indenture or the Indenture to authentication by the Trustee includes authentication by such agent. Such authenticating agent shall have the same rights as the Trustee in any dealings hereunder with the Company or with any of the Company's Affiliates.

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### Section 2.03. Registrar and Paying Agents.

(a) The Company shall maintain (i) an office or agency in London where Notes may be presented for registration of transfer or for exchange (the "Registrar"), (ii) an office or agency in each of London (the "Principal Paying Agent") and, if and for so long as any Notes are listed on the Luxembourg Stock Exchange, Luxembourg (the "Luxembourg Paying Agent") where Definitive Notes may be presented for payment and (iii) an office or agency in the City of New York where notices and demands to or upon the Company in respect of the Notes and this Supplemental Indenture and the Indenture may be served.

The Company may change the Principal Paying Agent or the Registrar or appoint additional Registrars or additional Paying Agents and the terms "Registrar" and "Paying Agent" shall include any such additional Registrar or Paying Agent, as applicable. The Company shall enter into an appropriate agency agreement with any Agent not a party to this Supplemental Indenture and the agreement shall implement the provisions of this Supplemental Indenture and the Indenture that relate to such Agent and, to the extent applicable, shall incorporate the provisions of the TIA. Without limiting the foregoing, each such agreement appointing a Principal Paying Agent must contain provisions substantially to the effect of Section 2.07 hereof. 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 7.07.

The Registrar shall keep a register (the "Register") of any Definitive Notes and of their transfer and exchange.

The Company hereby initially appoints (i) the corporate trust office of the Trustee, located at 430 Park Avenue, New York, New York 10022, as agent for service of notices and demands in connection with the Notes and this Supplemental Indenture and the Indenture; (ii) the corporate trust office of Citibank N.A., London, located at P.O. Box 18055, 5 Carmelite Street, London EC4Y 0PA, as Registrar and Principal Paying Agent; and (iii) the corporate trust office of Paribas Luxembourg, located at 10-A Boulevard Royal, L-2093 Luxembourg, R.C. Luxembourg N B6754, as the Luxembourg Paying Agent.

(b) (i) For so long as holders of Book-Entry Interests hold such interests through a DTC Global Note and the rules of DTC require that payments made through the facilities of DTC be made in U.S. dollars, the Paying Agent shall, unless otherwise instructed pursuant to paragraph (b)(ii) below, convert all payments received from the Company in Sterling in respect of any DTC Global Note into U.S. dollars. The aggregate amount of any such payment to be made in U.S. dollars in respect of the DTC Global Notes shall be credited to the Paying Agent's account in Sterling and such amount, less any amount to be paid in as contemplated in this Section 2.03(b), shall be converted by the Paying Agent into U.S. dollars (the "Sterling Conversion Amount"). The resulting Sterling Conversion Amount shall be paid to DTC or its designated assign for payment through DTC's settlement system to the relevant Participants. All costs of the Paying Agent of any such conversions and payment shall be born by the Company. Any such conversion shall be based on Citibank, N.A.'s ("Citibank") in-house mid-market agency GB(pound)/US\$ rate of exchange prevailing as at 11:00 a.m. New York City time on the day which is two business days prior to the relevant payment date. If such exchange rate bid quotation is not available from Citibank, the Paying Agent shall endeavor to obtain a bid quotation from a leading foreign exchange bank in New York City selected by the Paying Agent for such purpose. If no bid quotation from a leading foreign exchange bank is available, such payments will be made in Sterling to the account or accounts specified by or on behalf of DTC to the Paying Agent.

(ii) Notwithstanding the foregoing, the Paying Agent shall not convert amounts received in Sterling into U.S. dollars and shall make payments of principal, premium, if any, and interest and any other amounts owing under this Supplemental Indenture, the Indenture or the Notes in Sterling with respect to any Book-Entry Interest holders in a DTC Global Note that have caused DTC through the relevant DTC Participant

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to notify the Paying Agent of such holder's election to receive all or a portion of such payment in Sterling, provided such notification includes wire transfer instruction to a Sterling account. Such election in respect of any payment must be made by the holder at the time and in the manner required by the DTC

procedures applicable from time to time and shall, in accordance with such procedures, be irrevocable and shall relate only to such payment.

(iii) Notwithstanding the foregoing, Book-Entry Interest holders in Global Notes held on behalf of Euroclear or Clearstream will receive payments of principal, premium, if any, and interest and any other amounts owing under this Supplemental Indenture, the Indenture or the Notes in Sterling through the settlement systems of Euroclear or Clearstream, as the case may be.

#### Section 2.04. Holders to Be Treated as Owners; Payments of Interest.

(a) The Company, the Paying Agents, the Registrar, the Trustee and any agent of the Company, the Paying Agents, the Registrar or the Trustee may deem and treat the person in whose name any Definitive Note is registered as the absolute owner of such Note for the purpose of receiving payment of or on account of the Principal of and, subject to the provisions of this Supplemental Indenture and the Indenture, interest, Additional Amounts and Additional Interest and any other amounts due on such Definitive Note and for all other purposes; and neither the Company, any Paying Agent, the Registrar, the Trustee nor any agent of the Company, any Paying Agent, the Registrar or the Trustee shall be affected by any notice to the contrary. The Company, the Paying Agents, the Registrar, the Trustee and any agent of the Company, the Paying Agents, the Registrar or the Trustee may treat the Holder of any Global Note as the absolute owner thereof for the purposes of receiving payment of or on account of the Principal of and, subject to the provisions of this Supplemental Indenture and the Indenture, interest, Additional Amounts and Additional Interest and any other amounts due on, such Global Note and for all other purposes; and neither the Company, the Paying Agents, the Registrar, the Trustee, nor any agent of the Company, the Paying Agents, the Registrar or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Person, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any Note.

(b) The Person in whose name any Definitive Note is registered at the close of business on any record date with respect to any Interest Payment Date shall be entitled to receive the interest, Additional Amounts and Additional Interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Definitive Note subsequent to the record date and prior to such Interest Payment Date, except if and to the extent the Company shall default in the payment of the interest, Additional Amounts or Additional Interest due on such Interest Payment Date, in which case such defaulted interest, Additional Amounts or Additional Interest shall be paid in accordance with Section 2.13. The term "record date" as used with respect to any Interest Payment Date for the Notes shall mean the date specified as such in the terms of the Notes. Payments of interest, Additional Amounts and Additional Interest on the Global Note will be made to the Holder of the Global Note on each Interest Payment Date; provided that, in the event of an exchange or transfer of a Book-Entry Interest in a Global Note for Definitive Notes subsequent to a record date or any special record date and prior to or on the related Interest Payment Date or other payment date under Section 2.13, any payment of the interest, Additional Amounts or Additional Interest payable on such payment date with respect to any such Definitive Note shall be made to the Holder of the Global Note, notwithstanding Section 2.13 or any other provision hereof to the contrary.

#### Section 2.05. Paying Agent to Hold Money in Trust.

Each Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, interest, Additional Amounts or Additional Interest, if any, on the Notes, and the Company and the Paying Agents shall notify the Trustee of any

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default by the Company (or any other obligor on the Notes) in making any such payment. Money held in trust by any Paying Agent need not be segregated except as required by law and in no event shall any Paying Agent be liable for any interest on any money received by it hereunder. The Company at any time may require the Paying Agents to pay all money held by them 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 6.01(a) or (b), upon written request to such Paying Agents, require such Paying Agents to pay forthwith all money so held by it to the Trustee and to account for any funds disbursed. Upon making such payment, a Paying Agent shall have no further liability for the money delivered to the Trustee.

If the Company acts as its own Paying Agent for the Notes, it will, on or before each due date of the principal of, premium, if any, interest, Additional Amounts or Additional Interest, if any, on the Notes, set aside and segregate and held in trust for the benefit of the holders of the Notes a sum sufficient to pay such principal of, premium, if any, interest, Additional Amounts or Additional Interest, if any, and will notify the Trustee of such action or any failure to take such action.

Section 2.06. Holder Lists.

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

Section 2.07. Transfer and Exchange; Book-Entry Provisions.

(a) Transfer and Exchange of Global Notes. Transfer of the Global Notes shall be by delivery. Global Notes may be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.11. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to Section 2.08 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for Definitive Notes other than as provided in this Section 2.07(a) and in the Notes, subject to compliance with Section 2.07(c).

Owners of Book-Entry Interests shall receive Definitive Notes: (i) in whole (but not in part), if any of DTC, Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Trustee is available; (ii) in part, if an Event of Default occurs and is continuing, upon the request delivered in writing to DTC, Euroclear and/or Clearstream, the Trustee, the Common Depositary or the Custodian; (iii) in whole (but not in part) at any time if the Company in its sole discretion determines that the Global Notes should be exchanged for Definitive Notes; or (iv) in whole (but not in part), if the Custodian or Common Depositary is at any time unwilling or unable to continue as Custodian or Common Depositary, as the case may be, and a successor Custodian or Common Depositary, as the case may be, is not appointed by the Company within 90 days.

In such an event, the Registrar, subject to compliance with Section 2.07(c), shall issue Definitive Notes, registered in the name or names and issued in any approved denominations requested by or on behalf of DTC, Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and bearing the Private Placement Legend unless that legend is not required by applicable law.

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(b) Transfer and Exchange of Book-Entry Interests between Global Notes. In all cases, transfers of Book-Entry Interests between Global Notes shall require compliance with subparagraph (i) below, as well as one or more of the other following subparagraphs, as applicable:

(i) General Provisions Applicable to Transfers and Exchanges of Book-Entry Interests between Global Notes. In connection with all transfers and exchanges of Book-Entry Interests (other than transfers of Book-Entry Interests in connection with which the transferee takes delivery thereof in the form of a Book-Entry Interest in the same Global Note or transfers or exchanges resulting in the delivery of one or more Definitive Notes), the transferor of such Book-Entry Interest must deliver to the Principal Paying Agent (1) a written and/or electronic order from a Participant or an indirect participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to debit or cause to be debited a Book-Entry Interest in a Global Note in an amount equal to the Book-Entry Interest to be transferred or exchanged, (2) a written and/or electronic order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a Book-Entry Interest in another Global Note in an amount equal to the Book-Entry Interest to be transferred or exchanged and (3) written and/or electronic instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase.

The requirements of this Section 2.07(b)(i) shall be deemed to have been satisfied in connection with any exchange offer for Notes outstanding under this Supplemental Indenture and the Indenture upon receipt by the Principal Paying Agent of instructions contained in a letter of transmittal delivered by any Holder tendering Book-Entry Interests in a Restricted Global Note in such exchange offer.

(ii) Transfer of Book-Entry Interests in a Restricted Global Note to Another Restricted Global Note. A Book-Entry Interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in

the form of a Book-Entry Interest in a different Restricted Global Note if the transfer complies with the requirements of Section 2.07(b)(i) above and the Principal Paying Agent receives the following:

(A) if the transferee will take delivery in the form of a Book-Entry Interest in a 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications in item (1) or (3) thereof, together, in the case of (3), such additional documentation as may be required by the Trustee and the Company pursuant to the penultimate sentence of the Private Placement Legend, and

(B) if the transferee will take delivery in the form of a Book-Entry Interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications in item (2) thereof.

Upon satisfaction of the conditions set forth in this Section 2.07(b)(ii), the Principal Paying Agent shall (i) instruct the relevant Depository to deliver the relevant Global Note(s) to it, (ii) endorse the Schedule to the relevant Global Note(s) to reflect the relevant increase or decrease in the principal amount of such Global Note resulting from the applicable transfer, and (iii) thereafter, return the Global Notes to the relevant Depository, together with all information regarding the Participant accounts to be credited and debited in connection with such transfer.

(iii) Transfer and Exchange of Book-Entry Interests in a Restricted Global Note for Book-Entry Interests in an Unrestricted Global Note. A Book-Entry Interest in any Restricted Global Note may be exchanged by any holder thereof for a Book-Entry Interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a Book-Entry Interest in an Unre-

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stricted Global Note if the exchange or transfer complies with the requirements of Section 2.07(b)(i) above such transfer is effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act and the transferor delivers a certificate in the form of Exhibit D hereto including the certifications contained in item (4) thereof.

Upon satisfaction of the conditions set forth in this Section 2.07(b)(iii), the Principal Paying Agent shall (i) instruct the relevant Depository to deliver the relevant Global Note(s) to it, (ii) endorse the Schedule to the relevant Global Note(s) to reflect the relevant increase or decrease in the principal amount of such Global Note resulting from the applicable transfer, and (iii) thereafter, return the Global Notes to the relevant Depository, together with all information regarding the Participant accounts to be credited and debited in connection with such exchange or transfer.

If any such transfer or exchange is effected pursuant to this Section 2.07(b)(iii) at a time when an Unrestricted Global Note has not yet been issued, the Principal Paying Agent shall so inform the Trustee and the Company and, thereafter, the Company shall issue and, upon receipt of an authentication order in the form of an Officers' Certificate from the Company in accordance with Section 2.02 hereof, the Trustee shall authenticate, one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of Book-Entry Interests to be transferred or exchanged.

(c) Exchange of Book-Entry Interests for Definitive Notes. In all cases in connection with an exchange of a Book-Entry Interest for a Definitive Note (which in any event is limited to the circumstances contemplated by Section 2.07(a)), the Principal Paying Agent and the Registrar must receive (1) a written and/or electronic order from a Participant or an Indirect Participant given to the relevant Depository in accordance with the Applicable Procedures directing such Depository to debit or cause to be debited a Book-Entry Interest in an amount equal to the Book-Entry Interest to be exchanged, (2) a written order directing the Registrar to issue or cause to be issued a Definitive Note in an amount equal to the Book-Entry Interest to be exchanged and (3) instructions containing information regarding the Person in whose name such Definitive Note shall be registered to effect the exchange referred to above.

(i) Book-Entry Interests in Restricted Global Notes to Restricted Definitive Notes. A holder of a Book-Entry Interest in a Restricted Global Note may exchange such Book-Entry Interest for a Restricted Definitive Note if the exchange complies with the first paragraph of this Section 2.07(c) and the Principal Paying Agent receives a certificate from such holder in the form of Exhibit E hereto, including the certifications in item (1)(a) thereof;

Upon satisfaction of the conditions set forth in this Section 2.07(c)(i),

the Principal Paying Agent shall (i) instruct the Custodian or the Common Depository, as the case may be, to deliver the relevant Global Note(s) to it, (ii) endorse the Schedule to the relevant Global Note(s) to reflect the relevant decrease in the principal amount of such Global Note resulting from the applicable transfer or exchange, (iii) thereafter, return the Global Note to the Custodian or the Common Depository, as the case may be, together with all information regarding the Participant accounts to be debited in connection with such exchange or transfer and (iv) deliver to the Registrar instructions received by it that contain information regarding the Person in whose name Definitive Notes shall be registered to effect such exchange.

The Company shall issue and, upon receipt of an authentication order in the form of an Officers' Certificate from the Company in accordance with Section 2.02 hereof, the Trustee shall authenticate, one or more Definitive Notes in an aggregate principal amount equal to the aggregate principal amount of Book-Entry Interests so exchanged and in the names set forth in the instructions received by the Registrar.

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(ii) Book-Entry Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. A holder of a Book-Entry Interest in an Unrestricted Global Note may exchange such Book-Entry Interest for a Definitive Note that does not bear the Private Placement Legend if the exchange complies with the first paragraph of this Section 2.07(c). Upon satisfaction of the conditions set forth in this Section 2.07(c) (ii), the Principal Paying Agent shall (i) instruct the Custodian or the Common Depository, as the case may be, to deliver the relevant Global Note(s) to it, (ii) endorse the Schedule to the relevant Global Note(s) to reflect the relevant decrease in the principal amount of such Global Note resulting from the exchange, (iii) thereafter, return the Global Note to the Custodian or the Common Depository, as the case may be, together with all information regarding the Participant accounts to be debited in connection with such exchange and (iv) deliver to the Registrar instructions received by it that contain information regarding the Person in whose name Definitive Notes shall be registered to effect such exchange.

The Company shall issue and, upon receipt of an authentication order in the form of an Officers' Certificate from the Company in accordance with Section 2.02 hereof, the Trustee shall authenticate, one or more Definitive Notes in an aggregate principal amount equal to the aggregate principal amount of Book-Entry Interests so exchanged and in the names set forth in the instructions received by the Registrar.

Book-Entry Interests in an Unrestricted Global Note cannot be exchanged for a Book-Entry Interest in a Restricted Global Note, nor can such Book Entry Interests be transferred to Persons who take delivery thereof in the form of a Restricted Definitive Note.

(d) Transfer and Exchange of Definitive Notes for Definitive Notes. In all cases in connection with any transfer or exchange of Definitive Notes, the Holder of such Notes shall surrender to the Registrar the Definitive Notes for transfer or exchange duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.07(d). Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.07(d), the Registrar shall register the transfer or exchange of Definitive Notes.

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications in item (1) thereof; and

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications in item (2) thereof.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if any such transfer is effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act and the transferor delivers a



certificate in the form of Exhibit D hereto including the certifications contained in item (4) thereof.

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(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, consisting of the Note duly endorsed or accompanied by a written instrument of transfer, in form satisfactory to the Company and the Registrar, duly executed by the Holder or his attorney duly authorized in writing, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(e) Exchange Offers. Upon the occurrence of an exchange offer for Notes outstanding under this Supplemental Indenture pursuant to an effective registration statement under the Securities Act, the Company shall issue and, upon receipt of an authentication order in the form of an Officers' Certificate in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the Book-Entry Interests in the Restricted Global Notes tendered for acceptance by Persons that certify or are deemed to have certified that (x) they are not broker-dealers that acquired the Book-Entry Interests tendered in the exchange offer directly from the Company or an Affiliate of the Company, (y) they are not participating in a distribution of the Notes to be received in the exchange offer and (z) they are not affiliates (as defined in Rule 144) of the Company, that are accepted for exchange by the Company in the exchange offer and (ii) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes tendered for acceptance by Persons who certify to the effect set forth in (i) that are accepted for exchange by the Company in the exchange offer.

In addition, the Principal Paying Agent shall (i) endorse the Schedule to the Unrestricted Global Notes issued pursuant to the preceding paragraph to reflect the principal amount of Restricted Global Notes tendered in such exchange offer, (ii) deliver such Unrestricted Global Notes to the Custodian and the Common Depositary, as the case may be, (iii) instruct the Custodian and the Common Depositary to deliver the relevant Restricted Global Note(s), (iv) endorse the Schedule to such Restricted Global Note(s) to reflect the decrease in principal amount resulting from such exchange offer, and (v) thereafter, return the Restricted Global Notes to the Custodian and the Common Depositary, as the case may be, together with all information regarding the Participant accounts to be debited in connection with such exchange offer.

(f) Cancellation of Global Notes. At such time as all Book-Entry Interests therein have been exchanged for Definitive Notes, a Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.12 hereof.

(g) General Provisions Relating to all Transfers and Exchanges.

(i) Title to Global Notes will pass by delivery. To permit registration of transfers and exchanges of Definitive Notes, the Company shall execute and, upon the Company's order, the Trustee shall authenticate Definitive Notes at the Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange of any Definitive Note, but the Company may require payment of a sum sufficient to cover any stamp or transfer tax, duty or governmental charge payable in connection therewith (other than any such stamp or transfer taxes, duties or similar governmental charge payable upon exchange, redemption or purchase pursuant to Sections 2.11, 3.06, 3.07, 3.08, 4.14 and 4.16 of this Supplemental Indenture and Section 12.5 of the Indenture).

(iii) All Global Notes and Definitive Notes issued upon any transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Supplemental Indenture and the Indenture, as the Global Notes or Definitive Notes surrendered upon such transfer or exchange.

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(iv) The Company shall not be required to register the transfer of any Definitive Notes:

(1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 calendar days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Excess Proceeds Offer.

(v) Prior to due presentment for the registration of a transfer of any Definitive Note, the Trustee, the Paying Agents, the Registrar, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owners of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and neither the Trustee, the Paying Agents, the Registrar, any Agent nor the Company shall be affected by notice to the contrary.

(vi) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

#### Section 2.08. Replacement Notes.

If a mutilated Definitive Note is surrendered to the Registrar or the Trustee, if a mutilated Global Note is surrendered to the Principal Paying Agent 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 in such form as the Notes mutilated, lost, destroyed or wrongfully taken if, in the case of a lost, destroyed or wrongfully taken Note, the Holder of such Note furnishes to the Company, the Trustee, the Principal Paying Agent (in the case of a Global Note) and/or the Registrar (in the case of a Definitive Note), evidence reasonably acceptable to them of the ownership and the destruction, loss or theft of such Note. If required by the Trustee, the Principal Paying Agent (in the case of a Global Note), the Registrar (in the case of a Definitive Note) or the Company, an indemnity bond shall be posted, sufficient in the judgment of each to protect the Company, the Principal Paying Agent (in the case of a Global Note), the Registrar (in the case of a Definitive Note) and the Trustee 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 Registrar or Principal Paying Agent, as the case may be, may charge the Company for its expenses in replacing such Note. Every replacement Note shall constitute an additional obligation of the Company.

#### Section 2.09. Outstanding Notes.

The Notes outstanding at any time are all Notes that have been authenticated by the Trustee except for (a) those canceled by it, (b) those delivered to it for cancellation, (c) to the extent set forth in Article Nine, on or after the date on which the conditions set forth in Article Nine have been satisfied, those Notes theretofore authenticated and delivered by the Trustee hereunder and (d) those described in this Section 2.09 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.

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If a Note is replaced pursuant to Section 2.08, 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 appropriate 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, Additional Amounts, if any, Additional Interest, if any, and Principal with respect to the Notes payable on that date and is authorized and not prohibited from paying such money to the Holders thereof pursuant to the terms of this Supplemental Indenture and the Indenture, then on and after that date such Notes shall cease to be outstanding and interest on the Notes shall cease 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 Supplemental Indenture or the Indenture, Notes owned by the Company or an 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 Supplemental Indenture or the Indenture, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded.

#### Section 2.11. Temporary Notes.

In the event that Definitive Notes are to be issued pursuant to Section 2.07(a) hereto, until Definitive Notes are prepared and ready for delivery, the Company may prepare and the Trustee shall upon receipt of a written order of the Company 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 each Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange, payment, redemption or purchase. The Trustee shall cancel all Notes surrendered for registration of transfer, exchange, payment, redemption, replacement, cancellation or purchase and shall dispose of canceled Notes in accordance with its policy of disposal, unless the Company directs the Trustee to return such Notes to the Company, and, if so disposed, shall deliver a certificate of disposition thereof to the Company. The Company may not reissue or resell, or issue new Notes to replace, Notes that the Company has redeemed, paid or purchased, or that have been delivered to the Trustee for cancellation.

#### Section 2.13. Defaulted Interest.

If the Company defaults on a payment of interest, Additional Amounts or Additional Interest on the Notes, it shall pay the defaulted interest, Additional Amounts or Additional Interest, plus (to the extent permitted by law) any interest payable (at the rate borne by the Notes) on the defaulted interest, Additional Amounts or Additional Interest, in accordance with the terms hereof, to (a) the Persons who are Holders of Definitive Notes, if any, on a subsequent special record date, which date shall be at least five Business Days prior to the payment date for such defaulted interest, Additional Amounts or Additional Interest, and (b) if a Global Note is still outstanding, to the Holder of such Global Note on such payment date. The Company shall

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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 Holder of Definitive Notes, if any, and if any Global Note is still outstanding, to the applicable Depositary, a notice that states the special record date, if any, the payment date and the amount of defaulted interest, Additional Amounts or Additional Interest, and interest payable on such defaulted interest, if any, to be paid.

#### Section 2.14. CUSIP and ISIN Number; Common Code.

The Company may use a "CUSIP" number and may use an "ISIN" number and a common code, and if so, such CUSIP or ISIN number and common code shall be included in notices of redemption, repurchase or exchange as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number or common code printed in the notice or on the Notes, and that reliance may be placed only on any other identification numbers printed on the Notes. The Company will promptly notify the Trustee, each Paying Agent and the Registrar of any change in the CUSIP or ISIN number and the common code.

#### Section 2.15. Deposit of Moneys; Payments by Principal Paying Agent.

Prior to 5:00 p.m. London time on the day prior to each Interest Payment Date, Redemption Date or Maturity (unless the Company and the Principal Paying Agent shall agree to another time), the Company shall deposit with the Principal Paying Agent in immediately available funds, an amount in Sterling sufficient to make cash payments, if any, due on such Interest Payment Date, Redemption Date or Maturity, as the case may be.

Principal of, premium, if any, interest, Additional Interest, if any, and Additional Amounts, if any, on any Global Notes shall be payable at the corporate trust office or agency of the Paying Agent in London or Luxembourg maintained for such purposes. The Company shall pay such amounts in Sterling. All payments on the Global Notes shall be made by check or by transfer of immediately available funds to an account of the Holder of the Global Notes in accordance with instructions given by the Holder.

Principal of, premium, if any, interest, Additional Interest, if any, and Additional Amounts, if any, on any Definitive Notes shall be payable at the corporate trust office or agency of the Registrar maintained for such purposes. In addition, interest on Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for such Definitive Notes. The Company shall pay such amounts with respect to Definitive Notes in Sterling.

Section 2.16. Restrictive Legends.

Each Restricted Global Note and Restricted Definitive Note shall bear the following legend (the "Private Placement Legend") on the face thereof unless otherwise agreed to by the Company and the Holder thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES 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 SECURITIES ACT) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT WITHIN

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TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING RESTRICTIONS.

Section 2.17. Substitution of Currency.

If the United Kingdom adopts the Euro, it will replace Sterling as the legal tender in the United Kingdom and, as provided below, result in the effective redenomination of the Notes into Euros and the regulations of the European Commission relating to the Euro shall apply to the Notes. The circumstances and consequences described in this Section 2.17 entitle neither the Company, the Guarantors nor any Holder to early redemption, rescission, notice or repudiation of the terms and conditions of the Notes or this Supplemental Indenture and the Indenture or to raise other defenses or to request any compensation claim, nor will they affect any of the other obligations of the Company or the Guarantors under the Notes and under this Supplemental Indenture and the Indenture.

The Company, the Guarantors and the Trustee shall, without the consent of the Holders, on or after the Specified Date (as defined below) make such modifications to the Notes and this Supplemental Indenture or the Indenture as may be necessary in order to facilitate payment of interest in Euros, redemption of the Notes at the Euro-equivalent of the Sterling principal amount of the Notes and associated reconventioning, renominalisation and related matters as may be proposed by the Company (and confirmed by an independent financial institution approved by the Trustee to be in conformity with then applicable market conventions). For this purpose, "Specified Date" means the date on which the United Kingdom participates in the third stage of European Economic and Monetary Union pursuant to the treaty (the "Treaty") establishing the European Community or otherwise participates in European Economic and Monetary Union in a manner with an effect similar to such third stage.

ARTICLE 3

REDEMPTION

The following redemption provisions shall apply to the Notes (but not with respect to any other series of Debt Securities), and shall replace in its entirety Article Five of the Indenture (but not with respect to any other series of Debt Securities).

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Section 3.01. Notices to Trustee.

If the Company elects to redeem Notes pursuant to Section 3.07, at least 60 days prior to the Redemption Date or during such other period as the Trustee may agree to, the Company shall notify the Trustee in writing of the Redemption Date, the principal amount of Notes to be redeemed and the Redemption Price, and deliver to the Trustee an Officers' Certificate stating that such redemption will comply with the conditions contained herein.

### Section 3.02. Selection of Notes to Be Redeemed.

In the event that less than all of the Notes are to be redeemed at any time pursuant to an optional redemption, selection of such Notes for redemption will be made by the Trustee in compliance with the requirements of the Luxembourg Stock Exchange or, if the Notes are not then listed on the Luxembourg Stock Exchange, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate (subject to the procedures of DTC, Euroclear or Clearstream, as the case may be); provided, however, that no Notes of a principal amount of (pound)1,000 or less shall be redeemed in part. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note.

### Section 3.03. Notice of Redemption.

The Notes will be redeemable in whole or in part upon not less than 30 nor more than 60 days' prior written notice. Such notice of redemption shall, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, be published in the Luxembourgischer Wort or another newspaper having a general circulation in Luxembourg. Notices to Holders of Definitive Notes shall also be mailed by first class mail at least 30 but not more than 60 calendar days before the Redemption Date to each Holder at its address appearing in the Register. For so long as any of the Notes are represented by the Global Notes, notice to Holders shall (in addition to publication as described above) also be given by substantially concurrent delivery of the relevant notice to DTC, Euroclear and/or Clearstream (as the case may be) for communication to the holders of the Book-Entry Interests.

The notice shall identify the Notes to be redeemed (including the CUSIP/ISIN number(s) thereof) and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price and the amount of accrued interest, if any, to be paid;
- (3) the name, address and telephone number of the Paying Agent;
- (4) that Notes called for redemption must be surrendered to the Paying Agent at the address specified to collect the Redemption Price plus accrued interest, if any;
- (5) 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 is to receive payment of the Redemption Price plus accrued interest to the Redemption Date upon surrender of the Notes to the Paying Agent;
- (6) the subparagraph of the Notes pursuant to which the Notes called for redemption are being redeemed; and

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- (7) if fewer than all the Notes are to be redeemed, the identification of the particular Notes (or portion thereof equal to (pound)1,000 in principal amount or any integral multiple thereof) to be redeemed, as well as the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption and that, on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof will be issued.

### Section 3.04. Effect of Notice of Redemption.

Once the notice of redemption described in Section 3.03 is published and delivered or mailed, as the case may be, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price, including any premium, plus accrued interest to the Redemption Date, if any. Upon surrender to the Paying Agent, such Notes shall be paid at the Redemption Price, including any premium, plus accrued interest to the Redemption Date, if any; provided that if the Redemption Date is after a Record Date and on or prior to the Interest Payment Date, the accrued interest shall be payable to the Holder of any redeemed Definitive Notes registered on the relevant Record Date.

### Section 3.05. Deposit of Redemption Price.

On or prior to 5:00 p.m., London time, on the Business Day prior to each Redemption Date (unless the Company and the Principal Paying Agent shall agree to another time), the Company shall have deposited with the Principal Paying Agent in immediately available funds Sterling sufficient to pay the Redemption Price of and accrued interest on all Notes to be redeemed on that date.

On and after any Redemption Date, if Sterling sufficient to pay the

Redemption Price of and accrued interest on Notes called for redemption shall have been made available in accordance with the preceding paragraph, the Notes called for redemption will cease to accrue interest and the only right of the Holders of such Notes will be to receive payment of the Redemption Price of and, subject to the proviso in Section 3.04, accrued and unpaid interest on such Notes to the Redemption Date. If any Note called for redemption shall not be so paid, interest will continue to accrue and be paid, from the Redemption Date until such redemption payment is made, on the unpaid principal of the Note and any interest not paid on such unpaid principal, in each case, at the rate and in the manner provided for in Section 2.13.

#### Section 3.06. Notes Redeemed in Part.

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

#### Section 3.07. Optional Redemption.

The Notes will be redeemable, in whole or in part, at the option of the Company at any time at a redemption price equal to the greater of (i) 100% of the principal amount of such Notes, and (ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Gilt Rate plus 50 basis points, plus, in each case, accrued interest thereon to the date of redemption.

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#### Section 3.08. Tax Redemption.

(a) The Notes of any Holder will be subject to redemption as a whole, but not in part, at the option of the Company (a "Tax Redemption") at any time upon not less than 30 nor more than 60 days' notice mailed to such Holder of Notes to be redeemed, at 100% of the principal amount thereof on the Redemption Date, plus accrued and unpaid interest, if any, to the Redemption Date, in the event the Company or any Guarantor has become or would be obligated to pay, on any date on which any amount would be payable with respect to such Notes or any Guarantee, any Additional Amounts as a result of any change in or amendment to the laws, policies or treaties (including any regulation or ruling promulgated thereunder) of the United States of America or any jurisdiction in which any Guarantor is incorporated (or any prefecture, territory or taxing authority thereof or therein), or any change in or amendment to any official position or administration or assessing practices regarding the application or interpretation of such laws, policies, treaties, rulings or regulations, which change or amendment is announced or becomes effective on or after November 17, 1999; provided, however, that (i) no notice or redemption shall be given earlier than 60 days prior to the earliest date on which the Company or such Guarantor would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, (ii) if the Company elects to exercise its Tax Redemption option, it shall consummate any such Tax Redemption within 180 days following the date on which the amount to which the payment of such Additional Amounts relates would be payable to such Holder and (iii) upon the exercise by the Company of its Tax Redemption option at any time such that, after giving effect to the exercise of such Tax Redemption option, less than a majority of the aggregate principal amount of the Notes originally issued remains outstanding (the "Tax Redemption Offer Triggering Event"), prior to the consummation of such Tax Redemption the Company shall make an offer to purchase from all Holders (the "Tax Redemption Offer"), upon not less than 30 nor more than 60 days' notice, the Notes of such Holders at 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date (the "Tax Redemption Offer Purchase Price"); provided, further, that, prior to any such Tax Redemption, (i) the Company will deliver to the Trustee a copy of the written opinion of independent counsel to the effect that the Company has or will become obligated to pay Additional Amounts as a result of such change, amendment, administration, application or interpretation and (ii) the Company will use reasonable efforts to cause the reduction or elimination of the obligation to pay any such Additional Amounts.

(b) Within 30 days of any Tax Redemption Offer Triggering Event, the Company shall (a) cause a notice of the Tax Redemption Offer to be sent at least once to the Dow Jones News Service or similar business news service in the United States, (b) cause a notice to be published in a leading Luxembourg newspaper (so long as the Notes are then listed on the Luxembourg Stock Exchange) and (c) send by first-class mail, postage prepaid, to the Trustee and to each Holder, at the address appearing in the register maintained by the Registrar or the Principal Paying Agent, a notice stating:

(i) that the Tax Redemption Offer is being made pursuant to this covenant and that all Notes tendered will be accepted for payment;

(ii) the Tax Redemption Offer 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 "Tax Redemption Offer Payment Date"));

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

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

(v) that Holders accepting the offer to have their Notes purchased pursuant to a Tax Redemption Offer will be required to surrender the Notes to the Principal Paying Agent at the address

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specified in the notice prior to the close of business on the Business Day preceding the Tax Redemption Offer Payment Date;

(vi) that Holders will be entitled to withdraw their acceptance if the Principal Paying Agent receives, not later than the close of business on the third Business Day preceding the Tax Redemption Offer 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;

(vii) 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;

(viii) any other procedures that a Holder must follow to accept a Tax Redemption Offer or effect withdrawal of such acceptance; and

(ix) the name and address of the Principal Paying Agent.

On the Tax Redemption Offer Payment Date, the Company shall, to the extent lawful,

(i) accept for payment Notes or portions thereof properly tendered pursuant to the Tax Redemption Offer,

(ii) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so tendered, and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the Notes or portions thereof tendered to the Company.

The Principal Paying Agent shall promptly mail to each Holder 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; provided that each such new Note shall be issued in an original principal amount in denominations of (pound)1,000 and integral multiples thereof.

#### ARTICLE 4

##### COVENANTS

The following covenants shall apply to the Notes (but not with respect to any other series of Debt Securities), and are in addition to the covenants set forth in Article IV of the Indenture. With respect to the Notes (but not with respect to any other series of Debt Securities), to the extent inconsistent with the covenants contained in Article IV of the Indenture the covenants set forth below in this Supplemental Indenture shall govern.

##### Section 4.01. Payment of Notes

The Company will pay the principal, premium, if any, interest (including any Additional Interest) and Additional Amounts (if any) on the Notes on the dates and in the manner provided in the Notes, this Supplemental Indenture and the Indenture. An installment of principal or interest shall be considered paid in full

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on the date it is due if the Trustee or Paying Agent holds, for the benefit of the Holders, on that date Sterling designated for and sufficient to pay such installment in full and is not prohibited from paying such money to the Holders pursuant to the terms of this Supplemental Indenture or the Indenture.

The Company will pay interest on overdue principal and interest on overdue interest, to the extent lawful as provided for in Section 2.13.

#### Section 4.02. Provision of Financial Statements.

Whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, the Company will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company would have been required to file with the Commission pursuant to such Section 13(a) or 15(d) if the Company were so subject, such documents to be filed with the Commission on or prior to the respective dates (the "Required Filing Dates") by which the Company would have been required so to file such documents if the Company were so subject. The Company will also in any event (x) within 15 days of each Required Filing Date (i) transmit by mail to all Holders, as their names and addresses appear in the security register, without cost to such Holders and (ii) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Company would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company were subject to such Sections and (y) if filing such documents by the Company with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder at the Company's cost.

#### Section 4.03. Waiver of Stay, Extension or Usury Laws.

The Company and the Guarantors each covenant (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead (as a defense or otherwise) 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 which would prohibit or forgive the Company or any Guarantor from paying all or any portion of the principal of, premium, if any, interest, on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Supplemental Indenture and the Indenture; and (to the extent that they may lawfully do so) the Company and the Guarantors each hereby expressly waive all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

#### Section 4.04. Statement by Officers.

Within 120 days after the close of each fiscal year, the Company will file with the Trustee a brief certificate from the chief executive officer, chief financial officer or treasurer as to his or her knowledge of the Company's compliance with all conditions and covenants under this Supplemental Indenture and the Indenture. For purposes of this paragraph, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Supplemental Indenture and the Indenture.

#### Section 4.05. Corporate Existence.

Subject to Article Five hereof, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and the rights (charter and statutory) and franchises of the Company and each Guarantor; provided, however, that the Company shall not be required to preserve any such right or franchise if the Company shall determine that the preservation thereof is no longer desir-

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able in the conduct of the business and its Guarantors as a whole and that the loss thereof is not disadvantageous in any material respect to the Holders.

#### Section 4.06. Maintenance of Office or Agency.

The Company shall maintain the offices and agencies specified in Section 2.03 as well as an agent for receipt of service of legal process (which may be the Company itself), which agent shall have an office located in the State of New York.

#### Section 4.07. Compliance with Laws.

The Company will comply, and will cause each of its Subsidiaries to comply, with all applicable statutes, rules, regulations, orders and restrictions of the United States of America, all states and municipalities thereof, and of any governmental department, commission, board, regulatory authority, bureau, agency and instrumentality of the foregoing, in respect of the conduct of their respective businesses and the ownership of their respective properties, except for such noncompliances as would not in the aggregate have a material adverse effect on the financial condition or results of operations of the Company and its Subsidiaries taken as a whole.



Section 4.08. Maintenance of Properties and Insurance.

The Company will cause all material properties owned by the Company or any Restricted Subsidiary or used or held for use in the conduct of its business or the business of any Restricted Subsidiary to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Restricted Subsidiary and not reasonably expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder.

Section 4.09. Payment of Taxes and Other Claims; Additional Amounts.

(a) The Company will pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or any Restricted Subsidiary shown to be due on any return of the Company or any Restricted Subsidiary or otherwise assessed or upon the income, profits or property of the Company or any Restricted Subsidiary if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Company or any Restricted Subsidiary, except for any Lien permitted to be incurred under Section 4.13, if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder; provided, however, 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 proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Company) are being maintained in accordance with GAAP consistently applied.

(b) (i) All payments made by the Company or any Guarantor under or with respect to the Notes or any Guarantee will be made free and clear of and without withholding or deduction for or on account

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of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the government of the United States of America or of any state, prefecture or territory thereof or by any authority or agency therein or thereof having power to tax (hereinafter, "Taxes"), unless the Company or such Guarantor is required to withhold or deduct Taxes by law, regulation or governmental policy or by the interpretation or administration thereof. If the Company or any Guarantor is required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Notes or any Guarantee, the Company or such Guarantor will pay such additional amounts ("Additional Amounts") as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction will not be less than the amount the Holder would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment made to a Holder and no reimbursement shall be made to a Holder for Taxes paid by such Holder (each such Holder, an "Excluded Holder") with respect to any Tax imposed, levied, payable or due (i) by reason of the Holder's or beneficial owner's present or former connection with the United States of America or any other jurisdiction in which any Guarantor is incorporated or any prefecture or territory thereof, other than through the mere receipt or holding of Notes or by reason of the receipt of payments thereunder; (ii) by reason of the failure of the Holder or beneficial owner of Notes to satisfy any certification, identification, information or other reporting requirements which the Holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation, administrative practice or otherwise, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes; or (iii) by reason of the presentation (where presentation is required in order to receive payment) of such Notes for payment more than 30 days after the date such payment became due and payable or was duly provided for under the terms of the Notes, whichever is later. The obligation of the Company or such Guarantor to pay Additional Amounts or to reimburse a Holder for Taxes paid by such Holder in respect of Taxes shall not apply with respect to: (x) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes; (y) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the Notes or any Guarantee; or (z) Taxes imposed on or with respect to any payment by the Company or such Guarantor to the Holder or beneficial owner if such Holder or beneficial

owner is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that such Taxes would not have been imposed on a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment had such beneficiary, settlor, member or beneficial owner been the Holder of such Note. The Company or such Guarantor will also (i) make such withholding or deduction compelled by applicable law and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Company or such Guarantor will, upon written request of a Holder, furnish to each such Holder certified copies of tax receipts evidencing the payment of any Taxes by the Company or such Guarantor in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to the Company or such Guarantor, within 60 days after the later of the date of receipt of such written request and the date of receipt of such evidence. If notwithstanding the Company's or such Guarantor's efforts to obtain such receipts, the same are not obtainable, the Company or such Guarantor will promptly provide such Holder with other evidence reasonably satisfactory to such Holder of such payments by the Company or such Guarantor. If the Company conducts business in any jurisdiction (the "Taxing Jurisdiction") other than the United States of America, or if any Guarantor conducts business in any Taxing Jurisdiction other than the jurisdiction under which such Guarantor is incorporated, in a manner which causes Holders to be liable for taxes on payments under the Notes or any Guarantee for which they would not have been so liable but for such conduct of business in the Taxing Jurisdiction, the provision of the Notes described above shall be considered to apply to such Holders as if references in such provision to "Taxes" included taxes imposed by way of deduction or withholding by such Taxing Jurisdiction and references to Excluded Holder shall be deemed to include Holders or beneficial owners having a present or former connection with such Taxing Jurisdiction or any state, prefecture or territory thereof. The Company or such Guarantor will, upon written request of any Holder (other than an Excluded Holder), reimburse each such Holder for the amount of (i) any Taxes so levied or imposed and paid by such Holder as a result of payments made under or with respect to the Notes and (ii) any Taxes so levied or imposed with respect to any reimbursement under the foregoing clause (i) and paid by such Holder so that the net amount

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received by such Holder (net of payments made under or with respect to the Notes) after such reimbursement will not be less than the net amount the Holder would have received if Taxes on such reimbursement had not been imposed. Neither the Company nor any Guarantor will take any action or fail to act in any manner which will have the effect of requiring the payment of any Additional Amounts such that the Company may exercise its option to effect a Tax Redemption; provided, however, that the Company and its Subsidiaries will not be required to change their jurisdiction or alter their operations in any manner and will not be required to take any other unreasonable act thereunder.

(ii) At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company or any Guarantor will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it shall be promptly thereafter), the Company or such Guarantor will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders on the payment date. Whenever in this Supplemental Indenture and the Indenture there is mentioned, in any context, the payment of principal, interest, if any, 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 Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

#### Section 4.10. Limitation on Indebtedness.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including any Acquired Indebtedness), except that the Company and any Guarantor may Incur Indebtedness (including any Acquired Indebtedness) and any Restricted Subsidiary that is not a Guarantor may Incur Acquired Indebtedness if, in each case, the Consolidated Fixed Charge Coverage Ratio for the Company for the four full fiscal quarters immediately preceding the Incurrence of such Indebtedness taken as one period (and after giving pro forma effect to (i) the Incurrence of such Indebtedness and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was Incurred, and the application of such proceeds occurred, at the beginning of such four-quarter period; (ii) the Incurrence, repayment or retirement of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of such four-quarter period as if such Indebtedness was Incurred, repaid or retired at the beginning of such four-quarter period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such four-quarter period); (iii) in the case of Acquired Indebtedness,

the related acquisition as if such acquisition occurred at the beginning of such four-quarter period; and (iv) any acquisition or disposition by the Company and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, whether by merger, stock purchase or sale or asset purchase or sale, or any related repayment of Indebtedness, in each case since the first day of such four-quarter period, assuming such acquisition or disposition had been consummated on the first day of such four-quarter period) is equal to at least 2.00:1.00.

(b) The foregoing limitation will not apply to the Incurrence of any of the following (collectively "Permitted Indebtedness"):

(i) Indebtedness of the Company and any Restricted Subsidiary under the Credit Agreement in an aggregate principal amount at any one time outstanding not to exceed an amount equal to the greater of (x) \$1.0 billion, minus the amount of any repayment of such Indebtedness under the Credit Agreement pursuant to Section 4.10, and (y) the Borrowing Base;

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(ii) Indebtedness of the Company pursuant to the Notes outstanding on the Issue Date and other Indebtedness of the Company and its Restricted Subsidiaries outstanding on the Issue Date (other than Indebtedness under the Credit Agreement);

(iii) Indebtedness of any Guarantor pursuant to a Guarantee;

(iv) Indebtedness of the Company owing to a Restricted Subsidiary; provided that any Indebtedness of the Company owing to a Restricted Subsidiary that is not a Guarantor is made pursuant to an intercompany note in the form attached to this Supplemental Indenture as Exhibit F and is subordinated in right of payment from and after such time as the Notes shall become due and payable (whether at Stated Maturity, acceleration or otherwise) to the payment and performance of the Company's obligations under the Notes; provided, further, that any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to a Restricted Subsidiary or a pledge to or for the benefit of the lenders under the Credit Agreement) shall be deemed to be an Incurrence of such Indebtedness by the obligor not permitted by this clause (iv);

(v) Indebtedness of a Restricted Subsidiary owing to the Company or a Wholly Owned Restricted Subsidiary; provided that, with respect to Indebtedness owing to a Wholly Owned Restricted Subsidiary that is not a Guarantor, (x) any such Indebtedness is made pursuant to an intercompany note in the form attached to this Supplemental Indenture as Exhibit F and (y) any such Indebtedness shall be subordinated in right of payment from and after such time as the obligations under the Guarantee by such Wholly Owned Restricted Subsidiary shall become due and payable to the payment and performance of such Wholly Owned Restricted Subsidiary's obligations under its Guarantee; provided, further that (a) any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to the Company or a Restricted Subsidiary or a pledge to or for the benefit of the lenders under the Credit Agreement) shall be deemed to be an Incurrence of such Indebtedness by the obligor not permitted by this clause (v), and (b) any transaction pursuant to which any Restricted Subsidiary which has Indebtedness owing to the Company or any other Restricted Subsidiary, ceases to be a Restricted Subsidiary shall be deemed to be the Incurrence of Indebtedness by such Restricted Subsidiary that is not permitted by this clause (v);

(vi) guarantees of any Restricted Subsidiary made in accordance with the provisions of Section 4.15 of this Supplemental Indenture;

(vii) Hedging Obligations of the Company or any Guarantor entered into in the ordinary course of business (and not for speculative purposes) designed to protect against fluctuations in: (x) interest rates in respect of Indebtedness of the Company or any of its Restricted Subsidiaries, as long as such obligations at the time Incurred do not exceed the aggregate principal amount of such Indebtedness then outstanding or in good faith anticipated to be outstanding within 90 days of such Incurrence, (y) currencies or (z) commodities;

(viii) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "refinancing") of any Indebtedness described in clauses (ii) and (iii) of this definition of "Permitted Indebtedness," including any successive refinancings so long as the aggregate principal amount of Indebtedness represented thereby is not increased by such refinancing plus the lesser of (1) the stated amount of any premium, interest or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (2) the amount of premium, interest or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with

such refinancing and, in the case of Pari Passu Indebtedness or Subordinated Indebtedness, such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness; and

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(ix) Indebtedness, in addition to that described in clauses (i) through (viii) of this definition of "Permitted Indebtedness," and any renewals, extensions, substitutions, refinancings or replacements of such Indebtedness, not to exceed \$75.0 million outstanding at any one time in the aggregate.

Section 4.11. Limitation on Restricted Payments.

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(i) declare or pay any dividend on, or make any distribution to holders of, any shares of the Company's Capital Stock (other than dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire such Qualified Capital Stock);

(ii) purchase, redeem or otherwise acquire or retire for value, directly or indirectly, any shares of the Capital Stock of the Company or any Affiliate thereof (other than any Wholly Owned Restricted Subsidiary of the Company) or options, warrants or other rights to acquire such Capital Stock;

(iii) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund or maturity, any Subordinated Indebtedness;

(iv) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary to any Person (other than the Company or any of its Restricted Subsidiaries) or purchase, redeem or otherwise acquire or retire for value any Capital Stock of any Restricted Subsidiary held by any Person (other than the Company or any of its Wholly Owned Restricted Subsidiaries);

(v) Incur, create or assume any guarantee of Indebtedness of any Affiliate (other than a Wholly Owned Restricted Subsidiary of the Company); or

(vi) make any Investment in any Person (other than any Permitted Investments);

(any of the foregoing payments described in clauses (i) through (vi), other than any such action that is a Permitted Payment, collectively, "Restricted Payments") unless after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than cash, as determined by the Board of Directors of the Company, whose determination shall be conclusive and evidenced by a board resolution), (1) no Default or Event of Default shall have occurred and be continuing and such Restricted Payment shall not be an event which is, or after notice or lapse of time or both, would be, an "event of default" under the terms of any Indebtedness of the Company or its Restricted Subsidiaries; (2) immediately before and immediately after giving effect to such transaction on a pro forma basis, the Company could Incur \$1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions contained in Section 4.10; and (3) the aggregate amount of all such Restricted Payments declared or made after the date of this Supplemental Indenture does not exceed the sum of:

(A) 50% of the aggregate cumulative Consolidated Net Income of the Company accrued on a cumulative basis during the period beginning on December 1, 1998 and ending on the last day of the Company's last fiscal quarter ending prior to the date of the Restricted Payment (or, if such aggregate cumulative Consolidated Net Income shall be a loss, minus 100% of such loss); plus

(B) the aggregate Net Cash Proceeds received after November 17, 1999 by the Company from the issuance or sale (other than to any of its Subsidiaries) of its shares of Qualified Capital Stock or any options, warrants or rights to purchase such shares of Qualified Capital Stock of the Company

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(except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Indebtedness as set forth below); plus

(C) the aggregate Net Cash Proceeds received after November 17, 1999

by the Company (other than from any of its Subsidiaries) upon the exercise of any options or warrants to purchase shares of Qualified Capital Stock of the Company; plus

(D) the aggregate Net Cash Proceeds received after November 17, 1999 by the Company from debt securities or Redeemable Capital Stock that has been converted into or exchanged for Qualified Capital Stock of the Company to the extent such debt securities or Redeemable Capital Stock are originally sold for cash plus the aggregate Net Cash Proceeds received by the Company at the time of such conversion or exchange; plus

(E) in the event the Company or any Restricted Subsidiary has made since November 17, 1999 or makes an Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Company's or any Restricted Subsidiary's existing Investment in such Person that was previously treated as a Restricted Payment; plus

(F) so long as the Designation thereof was treated as a Restricted Payment made after November 17, 1999, with respect to any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary after the Issue Date in accordance with Section 4.19, an amount equal to the Company's Investment in such Unrestricted Subsidiary (provided that such amount shall not in any case exceed the Designation Amount with respect to such Restricted Subsidiary upon its Designation); plus

(G) \$50.0 million; minus

(H) the Designation Amount (measured as of the date of Designation) with respect to any Subsidiary of the Company which has been designated as an Unrestricted Subsidiary after November 17, 1999 in accordance with Section 4.19; minus

(I) all Restricted Payments made after November 17, 1999 (other than Permitted Payments made and calculated on the basis set forth below).

(b) Notwithstanding the foregoing, and in the case of clauses (ii), (iii) and (iv) below, so long as there is no Default or Event of Default continuing, the foregoing provisions shall not prohibit the following actions (clauses (i) through (iv) being referred to as a "Permitted Payment"):

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment would be permitted by the provisions of paragraph (a) of this Section 4.11 and such payment shall be deemed to have been paid on such date of declaration for purposes of the calculation required by paragraph (a) of this Section 4.11;

(ii) the repurchase, redemption or other acquisition or retirement of any shares of any class of Capital Stock of the Company in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege or in which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of, a substantially concurrent issue and sale for cash (other than to a Subsidiary) of other shares of Qualified Capital Stock of the Company; provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3) (B) of paragraph (a) of this Section 4.11;

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(iii) any repurchase, redemption, defeasance, retirement, refinancing or acquisition for value or payment of principal of any Subordinated Indebtedness in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to any Subsidiary of the Company) of any Qualified Capital Stock of the Company, provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3) (B) of paragraph (a) of this Section 4.11;

(iv) the repurchase, redemption, defeasance, retirement, refinancing or acquisition for value or payment of principal of any Subordinated Indebtedness (other than Redeemable Capital Stock) (a "refinancing") through the issuance of new Subordinated Indebtedness of the Company, provided that any such new Subordinated Indebtedness (1) shall be in a principal amount that does not exceed the principal amount so refinanced (or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration or acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (x) the stated amount of any premium, interest or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (y) the amount of premium, interest or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of

expenses of the Company Incurred in connection with such refinancing; (2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the Notes; (3) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Notes; and (4) is expressly subordinated in right of payment to the Notes at least to the same extent as the Indebtedness to be refinanced.

#### Section 4.12. Limitation on Transactions with Affiliates.

The Company will not, and will not permit any of its Restricted 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 of the Company (other than the Company or a Wholly Owned Restricted Subsidiary) unless (i) such transaction or series of transactions is in writing on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than would be available in a comparable transaction in arm's-length dealings with an unrelated third party, (ii) with respect to any transaction or series of transactions involving aggregate payments in excess of \$10.0 million, the Company delivers an Officers' Certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (i) above and such transaction or series of related transactions has been approved by the Board of Directors of the Company, and (iii) with respect to a transaction or series of related transactions involving aggregate value in excess of \$25.0 million, the Company delivers to the Trustee an opinion of either an independent investment banking firm of national standing in the United States or an independent public accounting firm of national standing in the United States, stating that the transaction or series of transactions is fair to the Company or such Restricted Subsidiary; provided, however, that this provision shall not apply to any transaction with an officer or director of the Company entered into in the ordinary course of business (including compensation or employee benefit arrangements with any officer or director of the Company).

#### Section 4.13. Limitations on Liens.

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, affirm or suffer to exist any Lien of any kind upon any of its property or assets (including any intercompany notes), owned at the date of this Supplemental Indenture or acquired after the date of this Supplemental Indenture, or any income or profits therefrom, except if the Notes (or a Guarantee, in the case of Liens of a Guarantor) are directly secured equally and ratably with (or prior to in the case of Liens with respect to Subordinated Indebtedness or Indebtedness of a Guarantor subordinated in right of payment to any Guarantee) the

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obligation or liability secured by such Lien, excluding, however, from the operation of the foregoing any of the following:

(a) any Lien existing as of the Issue Date;

(b) any Lien arising by reason of (1) any judgment, decree or order of any court, so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired; (2) taxes not yet delinquent or which are being contested in good faith; (3) security for payment of workers' compensation or other insurance; (4) good faith deposits in connection with tenders, leases or contracts (other than contracts for the payment of money); (5) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of property material to the operation of the business of the Company or any Restricted Subsidiary or the value of such property for the purpose of such business; (6) deposits to secure public or statutory obligations, or in lieu of surety or appeal bonds; (7) certain surveys, exceptions, title defects, encumbrances, easements, reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph or telephone lines and other similar purposes or zoning or other restrictions as to the use of real property not interfering with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries; (8) operation of law in favor of mechanics, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof; or (9) standard custodial, bailee or depository arrangements (including (x) in

respect of deposit accounts with banks and other financial institutions and (y) standard customer agreements in respect of accounts for the purchase and sale of securities and other property with brokerage firms or other types of financial institutions);

(c) any Lien now or hereafter existing on property of the Company or any Guarantor securing Indebtedness outstanding under the Credit Agreement;

(d) any Lien securing Acquired Indebtedness created prior to (and not created in connection with, or in contemplation of) the incurrence of such Indebtedness by the Company or any Restricted Subsidiary, in each case which Indebtedness is permitted under the provisions of Section 4.10; provided that any such Lien only extends to the assets that were subject to such lien securing such Acquired Indebtedness prior to the related transaction by the Company or its Restricted Subsidiaries; and

(e) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (d) so long as the amount of security is not increased thereby.

#### Section 4.14. Limitation on Sale of Assets.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale (other than an Asset Swap permitted by clause (g) below of this Section 4.14) unless (i) at least 75% of the proceeds from such Asset Sale are received in cash; provided, however, that the amount of (A) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet or the notes thereto) of the Company or any Restricted Subsidiary that are assumed by the transferee in such Asset Sale and from which the Company or such Restricted Subsidiary is released and (B) any

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notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are immediately converted by the Company or such Restricted Subsidiary into cash, shall be deemed cash for purposes of this Section 4.14, and (ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets sold (other than in the case of an involuntary Asset Sale, as determined by the Board of Directors of the Company and evidenced in a board resolution).

(b) If all or a portion of the Net Cash Proceeds of any Asset Sale are not required to be applied to repay permanently any secured Indebtedness then outstanding as required by the terms thereof, or the Company determines not to apply such Net Cash Proceeds to the permanent repayment of such secured Indebtedness or if no such secured Indebtedness is then outstanding, then the Company may within 12 months of the Asset Sale, invest the Net Cash Proceeds in other properties and assets that (as determined by the Board of Directors of the Company) replace the properties and assets that were the subject of the Asset Sale or in properties and assets that will be used in the businesses of the Company or its Restricted Subsidiaries as existing at such time or reasonably related thereto. The amount of such Net Cash Proceeds neither used to permanently repay or prepay secured Indebtedness nor used or invested as set forth in this paragraph constitutes "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds equals \$10.0 million or more, the Company shall apply the Excess Proceeds to the repayment of the Notes and any Pari Passu Indebtedness required to be repurchased under the instrument governing such Pari Passu Indebtedness as follows: (a) the Company shall make an offer to purchase (an "Offer") from all holders of the Notes in accordance with the procedures set forth in this Supplemental Indenture in the maximum principal amount (expressed as a multiple of (pound)1,000) of Notes that may be purchased out of an amount (the "Note Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Notes, and the denominator of which is the sum of the outstanding principal amount of the Notes and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price (as defined below) of all Notes tendered) and (b) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, the Company shall make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Debt Amount") equal to the excess of the Excess Proceeds over the Note Amount; provided that in no event shall the Pari Passu Debt Amount exceed the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness. The offer price shall be payable in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date (the "Offer Date") such Offer is consummated (the "Offered Price"), in accordance with the procedures set forth in this Supplemental Indenture. To the extent that the aggregate Offered Price of the Notes tendered pursuant to the Offer is less than the Note Amount

relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased is less than the Pari Passu Debt Amount (the amount of such shortfall, if any, constituting a "Deficiency"), the Company shall use such Deficiency in the business of the Company and its Restricted Subsidiaries. Upon completion of the purchase of all the Notes tendered pursuant to an Offer and the purchase of the Pari Passu Indebtedness pursuant to a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) If the Company becomes obligated to make an Offer pursuant to clause (c) above, the Notes shall be purchased by the Company, at the option of the holder thereof, in whole or in part in integral multiples of (pound)1,000, on a date that is not earlier than 45 days and not later than 60 days from the date the notice is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act, subject to proration in the event the Note Amount is less than the aggregate Offered Price of all Notes tendered.

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(e) The Company shall comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer.

(f) The Company will not, and will not permit any Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under Indebtedness as in effect on the date of this Supplemental Indenture) as such Indebtedness may be refinanced from time to time, provided that such restrictions are no less favorable to the Holders of Notes than those existing on the date of this Supplemental Indenture that would materially impair the ability of the Company to make an Offer to purchase the Notes or, if such Offer is made, to pay for the Notes tendered for purchase.

(g) The Company will not, and will not permit any Restricted Subsidiary to, engage in any Asset Swaps, unless: (i) at the time of entering into such Asset Swap, and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; (ii) in the event such Asset Swap involves an aggregate amount in excess of \$10.0 million, the terms of such Asset Swap have been approved by a majority of the members of the board of directors of the Company which determination shall include a determination that the Fair Market Value of the assets being received in such swap are at least equal to the Fair Market Value of the assets being swapped and (iii) in the event such Asset Swap involves an aggregate amount in excess of \$20.0 million, the Company has also received a written opinion from an independent investment banking firm of nationally recognized standing or an independent public accounting firm of nationally recognized standing that such Asset Swap is fair to the Company or such Restricted Subsidiary, as the case may be, from a financial point of view.

(h) Subject to paragraphs (c) and (f) above, within 30 days after the date on which the amount of Excess Proceeds equals or exceeds \$10.0 million, the Company shall send or cause to be sent by first-class mail, postage prepaid, to the Trustee and to each Holder of the Notes, at its address appearing in the Register, in the case of Definitive Notes, or the books and records of the Principal Paying Agent, in the case of Global Notes, a notice stating or including:

(1) that the Holder has the right to require the Company to repurchase, subject to proration, such Holder's Notes at the Offered Price;

(2) the Offer Date;

(3) the instructions a Holder must follow in order to have its Notes purchased in accordance with paragraph (c) of this Section; and

(4) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Sales otherwise described in the offering materials (or corresponding successor reports) (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required pursuant to Section 4.02), (ii) a description of material developments in the Company's business subsequent to the date of the latest of such Reports, (iii) if material, appropriate pro forma financial information, and (iv) such other information, if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision.

(i) Holders electing to have Notes purchased hereunder will be required to surrender such Notes at the address specified in the notice at least three Business Days prior to the Offer Date. Holders will be entitled to withdraw their election to have their Notes purchased pursuant to this Section



Company receives, not later than three Business Days prior to the Offer Date, a telegram, telex, facsimile transmission or letter setting forth (1) the name of the Holder, (2) the certificate number of the Note in respect of which such notice of withdrawal is being submitted, (3) the principal amount of the Note (which shall be (pound)1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which its election is to be withdrawn, (4) a statement that such Holder is withdrawing its election to have such principal amount of such Note purchased, and (5) the principal amount, if any, of such Note (which shall be (pound)1,000 or an integral multiple thereof) that remains subject to the original notice of the Offer and that has been or will be delivered for purchase by the Company.

(j) The Company shall (i) not later than the Offer Date, accept for payment Notes or portions thereof tendered pursuant to the Offer, (ii) not later than 10:00 a.m. (New York time) on the Offer Date, deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 2.05) an amount of money in same day funds (or New York Clearing House funds if such deposit is made prior to the Offer Date) sufficient to pay the aggregate Offered Price of all the Notes or portions thereof which are to be purchased on that date and (iii) not later than the Offer Date, deliver to the Paying Agent (if other than the Company) an Officers' Certificate stating the Notes or portions thereof accepted for payment by the Company.

Subject to applicable escheat laws, as provided in the Notes, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Offering Price; provided, however, that, (x) to the extent that the aggregate amount of cash deposited by the Company with the Trustee in respect of an Offer exceeds the aggregate Offered Price of the Notes or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Offer Date the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon.

(k) Notes to be purchased shall, on the Offer Date, become due and payable at the Offered Price and from and after such date (unless the Company shall default in the payment of the Offered Price) such Notes shall cease to bear interest. Such Offered Price shall be paid to such Holder promptly following the later of the Offer Date and the time of delivery of such Note to the relevant Paying Agent at the office of such Paying Agent by the Holder thereof in the manner required. Upon surrender of any such Note for purchase in accordance with the foregoing provisions, such Note shall be paid by the Company at the Offered Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Offer Date shall be payable to the Holders of such Notes, registered as such on the relevant record dates according to the terms and the provisions of Section 2.04 of this Supplemental Indenture; provided, further, that Notes to be purchased are subject to proration in the event the Excess Proceeds are less than the aggregate Offered Price of all Notes tendered for purchase, with such adjustments as may be appropriate by the Trustee so that only Notes in denominations of (pound)1,000 or integral multiples thereof, shall be purchased. If any Note tendered for purchase shall not be so paid upon surrender thereof by deposit of funds with the Trustee or a Paying Agent in accordance with paragraph (j) above, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Offer Date at the rate borne by such Note. Any Note that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the note registrar designated pursuant to Section 2.03 of this Supplemental Indenture or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the note registrar or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Note, without service charge, one or more new Notes of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Note so surrendered that is not purchased.

#### Section 4.15. Limitation on Guarantees by Restricted Subsidiaries.

In the event the Company (i) organizes or acquires any Domestic Restricted Subsidiary after November 17, 1999 that is not a Guarantor and causes or permits such Restricted Subsidiary to, directly or indirectly, guarantee the payment of any Indebtedness ("Other Indebtedness") of the Company or any Guarantor or (ii) causes or permits any Foreign Restricted Subsidiary that is not a Guarantor to, directly or indirectly, guarantee the payment of any Other Indebtedness, then, in each case the Company shall cause such Restricted

Subsidiary to simultaneously execute and deliver a supplemental indenture to the Supplemental Indenture and the Indenture pursuant to which it will become a Guarantor under the Supplemental Indenture and the Indenture; provided, however, that in the event a Domestic Restricted Subsidiary is acquired in a transaction in which a merger agreement is entered into, such Domestic Restricted Subsidiary shall not be required to execute and deliver such supplemental indenture until the consummation of the merger contemplated by any such merger agreement; provided, further, that if such Other Indebtedness is (i) Indebtedness that is ranked pari passu in right of payment with the Notes or the Guarantees of such Restricted Subsidiary, as the case may be, the Guarantee of such Restricted Subsidiary shall be pari passu in right of payment with the guarantee of the Other Indebtedness; or (ii) Subordinated Indebtedness, the Guarantees of such Restricted Subsidiary shall be senior in right of payment to the guarantee of the Other Indebtedness (which guarantee of such Subordinated Indebtedness shall provide that such guarantee is subordinated to the Guarantees of such Subsidiary to the same extent and in the same manner as the Other Indebtedness is subordinated to the Notes or the Guarantee of such Restricted Subsidiary, as the case may be).

If the Notes are defeased in accordance with the terms of Article Nine of this Supplemental Indenture, or if, subject to the requirements of Article Five of this Supplemental Indenture, all or substantially all of the assets of any Guarantor or all of the Capital Stock of any Guarantor are sold (including by issuance or otherwise) by the Company in a transaction constituting an Asset Sale, and if (x) the Net Cash Proceeds from such Asset Sale are used in accordance with Section 4.14 or (y) the Company delivers to the Trustee an Officers' Certificate to the effect that the Net Cash Proceeds from such Asset Sale shall be used in accordance with Section 4.14 and within the time limits specified by such Section, then such Guarantor or the Guarantors, as the case may be (in the event of a defeasance of the Notes or sale or other disposition of all of the Capital Stock of such Guarantor), or the corporation acquiring such assets (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) shall be released and discharged of its Guarantee obligations in respect of this Supplemental Indenture and the Indenture and the Notes.

Any Guarantor that is designated an Unrestricted Subsidiary pursuant to and in accordance with Section 4.19 shall upon such Designation be released and discharged of its Guarantee obligations in respect of this Supplemental Indenture and the Indenture and the Notes and any Unrestricted Subsidiary whose Designation is revoked pursuant to Section 4.19 will be required to become a Guarantor in accordance with Article Ten. In the case where a Guarantor is released and discharged of its Guarantee, the Company will, if listed on the Luxembourg Stock Exchange, inform the Luxembourg Stock Exchange and notify Holders in accordance with Section 10.02.

In addition, a Guarantee of a Guarantor shall be released upon the sale or transfer of all or substantially all of the assets or all of the Capital Stock of such Guarantor; provided, that either (i) such sale or transfer complies with the provisions set forth in Section 4.14 or (ii) such sale or transfer need not comply with the provisions set forth in Section 4.14 because the assets or Capital Stock so sold or transferred does not constitute an "Asset Sale" by operation of the provisions of clause (y) of the last sentence of the definition of Asset Sale.

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Section 4.16. Purchase of Notes upon a Change of Control.

(a) If a Change of Control shall occur at any time, then each Holder of Notes shall have the right to require that the Company purchase such Holder's Notes in whole or in part in integral multiples of (pound)1,000, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date"), pursuant to the offer described in subsection (b) of this Section (the "Change of Control Offer") and in accordance with the procedures set forth in subsections (b), (c), (d) and (e) of this Section.

(b) Within 15 days following any Change of Control, the Company shall notify the Trustee thereof, give written notice (a "Change of Control Purchase Notice") of such Change of Control to each Holder by first-class mail, postage prepaid, at its address appearing in the Register, in the case of Definitive Notes, or in the books and records of the Principal Paying Agent, in the case of Global Notes and publish such notice in a leading Luxembourg newspaper, if the Company is then listed on the Luxembourg Stock Exchange stating or including:

(1) that a Change of Control has occurred, the date of such event, and that such Holder has the right to require the Company to repurchase such Holder's Notes at the Change of Control Purchase Price;

(2) the circumstances and relevant facts regarding such Change of Control (including but not limited to information with respect to pro

forma historical income, cash flow and capitalization after giving effect to such Change of Control, if any);

(3) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q, as applicable, and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required to be prepared by the Company and any Guarantor pursuant to Section 4.19), (ii) a description of material developments in the Company's business subsequent to the date of the latest of such reports and (iii) such other information, if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision;

(4) that the Change of Control Offer is being made pursuant to this Section 4.16 and that all Notes properly tendered pursuant to the Change of Control Offer will be accepted for payment at the Change of Control Purchase Price;

(5) the Change of Control 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, or such later date as is necessary to comply with requirements under the Exchange Act;

(6) the Change of Control Purchase Price;

(7) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 2.03;

(8) that Notes must be surrendered on or prior to the Change of Control Purchase Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 2.03 to collect payment;

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(9) that the Change of Control Purchase Price for any Note which has been properly tendered and not withdrawn will be paid promptly following the Change of Control Offer Purchase Date;

(10) the procedures for withdrawing a tender of Notes and Change of Control Purchase Notice;

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

(12) 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 Purchase Date.

(c) Upon receipt by the Company of the proper tender of Notes, the Holder of the Note in respect of which such proper tender was made shall (unless the tender of such Note is properly withdrawn) thereafter be entitled to receive solely the Change of Control Purchase Price with respect to such Note. Upon surrender of any such Note for purchase in accordance with the foregoing provisions, such Note shall be paid by the Company at the Change of Control Purchase Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Change of Control Purchase Date shall be payable to the Holders of such Notes registered as such on the relevant record dates according to the terms and the provisions of Section 2.04. If any Note tendered for purchase shall not be so paid upon surrender thereof, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Change of Control Purchase Date at the rate borne by such Note. Holders electing to have Notes purchased will be required to surrender such Notes to the Paying Agent at the address specified in the Change of Control Purchase Notice at least two Business Days prior to the Change of Control Purchase Date. Any Note that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the note registrar designated pursuant to Section 2.03 or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the note registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Note, without service charge, one or more new Notes of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Note so surrendered that is not purchased.

(d) The Company shall (i) not later than the Change of Control Purchase Date, accept for payment Notes or portions thereof tendered pursuant to the Change of Control Offer, (ii) not later than 5:00 p.m. (London time) on the

day preceding Change of Control Purchase Date (unless the Company and the Principal Paying Agent agree to a different time), deposit with the Principal Paying Agent an amount of cash sufficient to pay the aggregate Change of Control Purchase Price of all the Notes or portions thereof which are to be purchased as of the Change of Control Purchase Date and (iii) not later than the Change of Control Purchase Date, deliver to the Paying Agent an Officers' Certificate stating the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Notes so accepted payment in an amount equal to the Change of Control Purchase Price of the Notes purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and mail or deliver to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted shall be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer on the Change of Control Purchase Date. For purposes of this Section 4.16, the Company shall choose a Paying Agent which shall not be the Company.

(e) A Change of Control Purchase Notice may be withdrawn before or after delivery by the Holder to the Paying Agent at the office of the Paying Agent of the Note to which such Change of Control Purchase Notice relates, by means of a written notice of withdrawal delivered by the Holder to the Paying Agent

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at the office of the Paying Agent or to the office or agency referred to in Section 2.03 to which the related Change of Control Purchase Notice was delivered not later than three Business Days prior to the Change of Control Purchase Date specifying, as applicable:

(1) the name of the Holder;

(2) the certificate number of the Note in respect of which such notice of withdrawal is being submitted;

(3) the principal amount of the Note (which shall be (pound)1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which such notice of withdrawal is being submitted; and

(4) the principal amount, if any, of such Note (which shall be (pound)1,000 or an integral multiple thereof) that remains subject to the original Change of Control Purchase Notice and that has been or will be delivered for purchase by the Company.

(f) Subject to applicable escheat laws, as provided in the Notes, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest or dividends, if any, thereon, held by them for the payment of the Change of Control Purchase Price; provided, however, that, (x) to the extent that the aggregate amount of cash deposited by the Company pursuant to clause (ii) of paragraph (d) above exceeds the aggregate Change of Control Purchase Price of the Notes or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Change of Control Purchase Date the Trustee shall return any such excess to the Company together with interest, if any, thereon.

(g) The Company shall comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

(h) The Company will not, and will not permit any Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under Indebtedness as in effect on the date of this Supplemental Indenture) that would materially impair the ability of the Company to make a Change of Control Offer to purchase the Notes or, if such Change of Control Offer is made, to pay for the Notes tendered for purchase.

#### Section 4.17. Limitation on Restricted Subsidiary Capital Stock.

The Company will not permit any Restricted Subsidiary of the Company to issue any Capital Stock, except for (i) Capital Stock issued to and held by the Company or a Wholly Owned Restricted Subsidiary, (ii) Capital Stock issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary, (B) such Person merges with or into a Restricted Subsidiary or (C) a Restricted Subsidiary merges with or into such Person, provided that such Capital Stock was not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclauses (A), (B) or (C), and (iii) Capital Stock issued or sold by a Restricted Subsidiary where, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary.

#### Section 4.18. Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the

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ability of any Restricted Subsidiary of the Company to (i) pay dividends or make any other distribution on its Capital Stock, (ii) pay any Indebtedness owed to the Company or a Restricted Subsidiary of the Company, (iii) make any Investment in the Company or a Restricted Subsidiary of the Company or (iv) transfer any of its properties or assets to the Company or any Restricted Subsidiary, except (a) any encumbrance or restriction pursuant to an agreement in effect on the date of this Supplemental Indenture; (b) any encumbrance or restriction, with respect to a Restricted Subsidiary that was not a Restricted Subsidiary of the Company on the date of this Supplemental Indenture, in existence at the time such Person becomes a Restricted Subsidiary of the Company and, in the case of clauses (a) and (b), not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; (c) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a) and (b), or in this clause (c), provided that the terms and conditions of any such encumbrances or restrictions are not materially less favorable to the holders of the Notes than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced (except that an encumbrance or restriction that is not more restrictive than those set forth in this Supplemental Indenture and the Indenture shall in any event be permitted hereunder); and (d) any encumbrance or restriction created pursuant to an asset sale agreement, stock sale agreement or similar instrument pursuant to which an Asset Sale permitted under Section 4.14 is to be consummated, so long as such restriction or encumbrance shall be effective only for a period from the execution and delivery of such agreement or instrument through a termination date not later than 270 days after such execution and delivery.

Section 4.19. Designation of Unrestricted Subsidiaries.

The Company may designate after the Issue Date any Subsidiary of the Company as an "Unrestricted Subsidiary" under this Supplemental Indenture and the Indenture (a "Designation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation;
- (ii) at the time of and after giving effect to such Designation, the Company could incur \$1.00 of additional Indebtedness (other than Permitted Indebtedness) under the Consolidated Fixed Charge Coverage Ratio of the first paragraph of Section 4.10(a); and
- (iii) the Company would be permitted to make an Investment (other than a Permitted Investment) at the time of Designation (assuming the effectiveness of such Designation) pursuant to Section 4.11(a) above in an amount (the "Designation Amount") equal to the amount of the Company's Investment in such Subsidiary on such date.

Neither the Company nor any Restricted Subsidiary shall at any time (x) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) or (y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary. For purposes of the foregoing, the Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary.

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

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- (ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of this Supplemental Indenture and the Indenture.

All Designations and Revocations must be evidenced by resolutions of the Board of Directors of the Company, delivered to the Trustee certifying compliance with the foregoing provisions.

Section 4.20. [Intentionally Omitted]

Section 4.21. Waiver of Certain Covenants.

The Company may omit in a particular instance to comply with any covenant or condition set forth in Sections 4.01 through 4.21, if, before or after the time for such compliance, the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding or shall, by Act of such Holders, waive such compliance in such instance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

Section 4.22. Limitation of Applicability of Certain Covenants if Notes Rated Investment Grade.

Notwithstanding the foregoing, the Company's and its Restricted Subsidiaries' obligations to comply with the provisions of this Supplemental Indenture described in Sections 4.10, 4.11, 4.12, 4.17, 4.18, 4.19 and 5.01(a)(iv) will terminate and cease to have any further effect from and after the first date when the Notes are rated Investment Grade.

ARTICLE 5

SUCCESSOR CORPORATION

The provisions of this Article 5 shall apply to the Notes (but not with respect to any other series of Debt Securities), and shall replace in its entirety Section 10.1 of the Indenture as it applies to the Notes (but not with respect to any other series of Debt Securities). To the extent that any provisions of this Article 5 are inconsistent with or conflict with any provisions of Article X of the Indenture, the provisions of this Article 5 shall govern (but not with respect to any other series of Debt Securities).

Section 5.01. Company or Any Guarantor May Consolidate, etc., Only on Certain Terms.

(a) The Company shall not, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to any Person or group of affiliated Persons, or permit any of its Restricted Subsidiaries to enter into any such transaction or transactions if such transaction or transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposal of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis to any other Person or group of affiliated Persons, unless at the time and after giving effect thereto:

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(i) either (a) the Company shall be the continuing corporation, or (b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Entity") shall be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person assumes, by a supplemental indenture in a form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and this Supplemental Indenture shall remain in full force and effect;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect to such transaction on a pro forma basis, the Consolidated Net Worth of the Company (or the Surviving Entity if the Company is not the continuing obligor under this Supplemental Indenture and the Indenture) is equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(iv) immediately before and immediately after giving effect to such transaction on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such pro forma calculation), the Company (or the Surviving Entity if the Company is not the continuing obligor under this Supplemental Indenture and the Indenture) could incur \$1.00 of additional Indebtedness under Section 4.10 (other than Permitted Indebtedness);

(v) each Guarantor, if any, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Supplemental Indenture and the Indenture and the Notes;

(vi) if any of the property or assets of the Company or any of its Restricted Subsidiaries would thereupon become subject to any Lien, the provisions of Section 4.13 are complied with; and

(vii) the Company or the Surviving Entity shall have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereto comply with this Supplemental Indenture and the Indenture and that all conditions precedent therein or herein provided for relating to such transaction have been complied with.

(b) Each Guarantor shall not, and the Company will not permit a Guarantor to, in a single transaction or through a series of related transactions, merge or consolidate with or into any other corporation (other than the Company or any other Guarantor) or other entity, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets on a consolidated basis to any entity (other than the Company or any other Guarantor) unless at the time and after giving effect thereto:

(i) either (1) such Guarantor shall be the continuing corporation or partnership or (2) the entity (if other than such Guarantor) formed by such consolidation or into which such Guarantor is merged or the entity which acquires by sale, assignment, conveyance, transfer, lease or disposition the properties and assets of such Guarantor shall be a corporation duly organized and validly existing under the laws of the United States, any state thereof or the District of Columbia and shall expressly assume by an indenture supplemental hereto, executed and delivered to the Trustee, in a form reasonably satis-

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factory to the Trustee, all the obligations of such Guarantor under its Guarantee and this Supplemental Indenture and the Indenture;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and

(iii) such Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or disposition and such supplemental indenture comply with this Supplemental Indenture and the Indenture, and thereafter all obligations of the predecessor shall terminate.

The provisions of this Section 5.01(b) shall not apply to any transaction (including any Asset Sale made in accordance with Section 4.14) with respect to any Guarantor (i) if the Guarantee of such Guarantor is released in connection with such transaction in accordance with the last sentence of Section 4.15 or (ii) if such transaction need not comply with the provisions set forth in Section 4.14 because the properties or assets so sold, assigned, conveyed, transferred, leased or otherwise disposed of do not constitute an "Asset Sale" by operation of the provisions of clause (y) of the last sentence of the definition of Asset Sale.

Section 5.02. Successor Substituted.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company or any Guarantor (except, in the case of a Guarantor, pursuant to a transaction set forth in the last paragraph of Section 5.01(b)) in accordance with Section 5.01, the successor Person formed by such consolidation or into which the Company or such Guarantor, as the case may be, is merged or the successor Person to which such sale, assignment, conveyance, transfer, lease or disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, under this Supplemental Indenture and the Indenture, the Notes and/or the Guarantees, as the case may be, with the same effect as if such successor had been named as the Company or such Guarantor, as the case may be, herein, in the Notes and/or in the Guarantees, as the case may be. When a successor assumes all the obligations of its predecessor under this Supplemental Indenture and the Indenture, the Notes or a Guarantee, as the case may be, the predecessor shall be released from those obligations; provided that in the case of a transfer by lease, the predecessor shall not be released from the payment

of principal and interest on the Notes or a Guarantee, as the case may be.

## ARTICLE 6

### DEFAULTS AND REMEDIES

The provisions of this Article 6 shall apply to the Notes (but not with respect to any other series of Debt Securities), and shall replace in its entirety Section 7.1 of the Indenture as it applies to the Notes (but not with respect to any other series of Debt Securities). To the extent that the provisions of this Article 6 are inconsistent with or conflict with any provisions of Article VII of the Indenture, the provisions of this Article 6 shall govern (but not with respect to any other series of Debt Securities).

#### Section 6.01. Events of Default.

Whenever used herein or in the Indenture, an "Event of Default" means any one of the following events (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions

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of this Article Six or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) there shall be a default in the payment of any interest on any Note when it becomes due and payable, and such default shall continue for a period of 30 days;

(b) there shall be a default in the payment of the principal of (or premium, if any, on) any Note at its Maturity (upon acceleration, optional or mandatory redemption, required repurchase or otherwise);

(c) (i) there shall be a default in the performance, or breach, of any covenant or agreement of the Company or any Guarantor under this Supplemental Indenture or the Indenture (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clauses (a) or (b) or in clauses (ii), (iii) and (iv) of this clause (c)) and such default or breach shall continue for a period of 30 days after written notice has been given, by certified mail, (x) to the Company by the Trustee or (y) to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the outstanding Notes, specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; (ii) there shall be a default in the performance or breach of the provisions of Article Five; (iii) the Company shall have failed to make or consummate an Offer in accordance with the provisions of Section 4.14; or (iv) the Company shall have failed to make or consummate a Change of Control Offer in accordance with the provisions of Section 4.16;

(d) one or more defaults shall have occurred under any agreements, indentures or instruments under which the Company, any Guarantor or any Subsidiary then has outstanding Indebtedness in excess of \$10.0 million in the aggregate and, if not already matured at its final maturity in accordance with its terms, such Indebtedness shall have been accelerated;

(e) any Guarantee shall for any reason cease to be, or be asserted in writing by any Guarantor or the Company not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by this Supplemental Indenture or the Indenture and any such Guarantee;

(f) one or more judgments, orders or decrees for the payment of money in excess of \$15.0 million either individually or in the aggregate (net of amounts covered by insurance, bond, surety or similar instrument), shall be entered against the Company, any Guarantor, any Subsidiary or any of their respective properties and shall not be discharged and either (a) any creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or (b) there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(g) any holder or holders of at least \$10.0 million in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Subsidiary after a default under such Indebtedness shall notify the Trustee of the intended sale or disposition of any assets of the Company, any Guarantor or any Subsidiary that have been pledged to or for the benefit of such holder or holders to secure such Indebtedness or shall commence proceedings, or take any action (including by way of set-off), to retain in satisfaction of such Indebtedness or to collect on, seize, dispose of or apply in satisfaction of Indebtedness, assets of the Company, any Guarantor or any Subsidiary (including funds on deposit or held pursuant to lock-box and other similar arrangements);



(h) there shall have been the entry by a court of competent jurisdiction of (i) a decree or order for relief in respect of the Company, any Guarantor or any Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (ii) a decree or order adjudging the Company, any Guarantor or any Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, any Guarantor or any Subsidiary under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company, any Guarantor or any Subsidiary or of any substantial part of their respective properties, or ordering the winding up or liquidation of their affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(i) (i) the Company, any Guarantor or any Subsidiary commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (ii) the Company, any Guarantor or any Subsidiary consents to the entry of a decree or order for relief in respect of the Company, any Guarantor or such Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (iii) the Company, any Guarantor or any Subsidiary files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, (iv) the Company, any Guarantor or any Subsidiary (1) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company, any Guarantor or such Subsidiary or of any substantial part of their respective properties, (2) makes an assignment for the benefit of creditors or (3) admits in writing its inability to pay its debts generally as they become due, or (v) the Company, any Guarantor or any Subsidiary takes any corporate action in furtherance of any such actions in this paragraph (i).

The Company shall deliver to the Trustee within five days after the occurrence thereof, written notice, in the form of an Officers' Certificate, of any Default, its status and what action the Company is taking or proposes to take with respect thereto.

Section 6.02. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Sections 6.01(h) and (i)) shall occur and be continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding may, and the Trustee at the request of the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding shall, declare all unpaid principal of, premium, if any, and accrued interest on all the Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders of the Notes). If an Event of Default specified in clause (h) or (i) of Section 6.01 occurs and is continuing, then all the Notes shall ipso facto become and be immediately due and payable, in an amount equal to the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date the Notes become due and payable, without any declaration or other act on the part of the Trustee or any Holder.

At any time after such declaration of acceleration has been made but before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Notes outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay

(i) all sums paid or advanced by the Trustee under Section 11.2 of the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(ii) all overdue interest on all Notes, and

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes;

(b) all Events of Default, other than the non-payment of principal of the Notes which have become due solely by such declaration of

acceleration, have been cured or waived as provided in Section 6.03; and

(c) the rescission will not conflict with any judgment or decree.

No such rescission shall affect any subsequent Default or impair any right consequent thereon.

Section 6.03. Waiver of Past Defaults and Events of Default.

Subject to Sections 2.10 and 6.02 hereof, the Holders of a majority in principal amount of the Notes then outstanding have the right to waive past Defaults under this Supplemental Indenture and the Indenture except a Default in the payment of the principal of, or interest or premium, if any, on any Note as specified in clauses (a) and (b) of Section 6.01 or in respect of a covenant or a provision which cannot be modified or amended without the consent of all Holders as provided for in Section 8.02. The Company shall deliver to the Trustee an Officers' Certificate stating that the requisite percentage of Holders have consented to such waiver and attaching copies of such consents. In case of any such waiver, the Company, the Trustee and the Holders shall be restored to their former positions and rights hereunder and under the Notes, respectively. This paragraph of this Section 6.03 shall be in lieu of ss. 316(a)(1)(B) of the TIA and ss. 316(a)(1)(B) of the TIA is hereby expressly excluded from this Supplemental Indenture and the Indenture and the Notes, as permitted by the TIA.

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 Supplemental Indenture and the Indenture, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

#### ARTICLE 7

[INTENTIONALLY OMITTED]

#### ARTICLE 8

#### SUPPLEMENTAL INDENTURES

The following provisions of this Article 8 shall apply to the Notes (but not with respect to any other series of Debt Securities), and shall replace in their entirety Sections 12.1 and 12.2 of the Indenture (but not with respect to any other series of Debt Securities). To the extent that the provisions of this Article 8 are inconsistent with or conflict with any provisions of Article XII of the Indenture, the provisions of this Article 8 shall govern (but not with respect to any other series of Debt Securities).

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Section 8.01. Supplemental Indentures and Agreements Without Consent of Holders.

Without the consent of any Holders, the Company and the Guarantors, if any, when authorized by a board resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto or agreements or other instruments with respect to any Guarantee, in form and substance satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company, any Guarantor or any other obligor upon the Notes, and the assumption by any such successor of the covenants of the Company or such Guarantor or obligor herein and in the Notes and in any Guarantee;

(b) to add to the covenants of the Company, any Guarantor or any other obligor upon the Notes for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company, any Guarantor or any other obligor upon the Notes, as applicable, herein, in the Notes or in any Guarantee;

(c) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, in the Notes or in any Guarantee, or to make any other provisions with respect to matters or questions arising under this Supplemental Indenture and the Indenture, the Notes or any Guarantee; provided that, in each case, such provisions shall not adversely affect the interests of the Holders;

(d) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Supplemental Indenture and the Indenture under the Trust Indenture Act, as contemplated by Section 12.4 of the Indenture or otherwise;

(e) to add a Guarantor pursuant to the requirements of Section 4.15;

(f) to evidence and provide the acceptance of the appointment of a

successor trustee hereunder; or

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as additional security for the payment and performance of the Indenture Obligations, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to this Supplemental Indenture and the Indenture or otherwise.

#### Section 8.02. Supplemental Indentures and Agreements with Consent of Holders.

With the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, by act of said Holders delivered to the Company, each Guarantor, if any, and the Trustee, the Company and each Guarantor (if a party thereto) when authorized by a board resolution, and the Trustee, may enter into an indenture or indentures supplemental hereto or agreements or other instruments with respect to any Guarantee in form and substance satisfactory to the Trustee, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Supplemental Indenture and the Indenture or of modifying in any manner the rights of the Holders under this Supplemental Indenture and the Indenture, the Notes or any Guarantee; provided, however, that no such supplemental indenture, agreement or instrument shall, without the consent of the Holder of each outstanding Note affected thereby:

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(a) change the Stated Maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date thereof);

(b) amend, change or modify the obligation of the Company to make and consummate an Offer with respect to any Asset Sale or Asset Sales in accordance with Section 4.14 or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with Section 4.16, including amending, changing or modifying any definitions with respect thereto;

(c) reduce the percentage in principal amount of the outstanding Notes, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Supplemental Indenture and the Indenture or certain defaults hereunder and their consequences provided for in this Supplemental Indenture and the Indenture or with respect to any Guarantee;

(d) modify any of the provisions of this Section 8.02, Section 4.21 or Section 6.03, except to increase any such percentage or to provide that certain other provisions of this Supplemental Indenture and the Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby;

(e) except as otherwise permitted under Article Five, consent to the assignment or transfer by the Company or any Guarantor of any of its rights and obligations under this Supplemental Indenture and the Indenture; or

(f) amend or modify any of the provisions of this Supplemental Indenture and the Indenture to cause the Notes or any Guarantee to be subordinate to any other Indebtedness.

Upon the written request of the Company and each Guarantor, if any, accompanied by a copy of a board resolution authorizing the execution of any such supplemental indenture or Guarantee, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company and each Guarantor in the execution of such supplemental indenture or Guarantee.

It shall not be necessary for any act of Holders under this Section 8.02 to approve the particular form of any proposed supplemental indenture or Guarantee or agreement or instrument relating to any Guarantee, but it shall be sufficient if such act shall approve the substance thereof.

#### ARTICLE 9

##### DISCHARGE OF INDENTURE; DEFEASANCE

The following provisions of this Article Nine shall apply to the

Notes (but not with respect to any other series of Debt Securities) and shall replace in its entirety the provisions set forth in Article VI of the Indenture (but not with respect to any other series of Debt Securities).

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Section 9.01. Satisfaction and Discharge of Supplemental Indenture and the Indenture.

This Supplemental Indenture and the Indenture (solely with respect to the Notes and not with respect to any other series of Debt Securities) shall cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes herein expressly provided for) and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Supplemental Indenture and the Indenture (solely with respect to the Notes and not with respect to any other series of Debt Securities), when

(a) either

(1) all the Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.08 or (ii) all Notes for whose payment in Sterling have theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 3.05) have been delivered to the Trustee canceled or for cancellation; or

(2) all such Notes not theretofore delivered to the Trustee canceled or for cancellation (x) have become due and payable, (y) will become due and payable at their Stated Maturity within one year, or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee in trust for such purpose an amount in Sterling sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee canceled or for cancellation, including principal of, premium, if any, and accrued interest at such Stated Maturity or redemption date;

(b) the Company or any Guarantor has paid or caused to be paid all other sums payable hereunder by the Company or any Guarantor; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that (i) all conditions precedent herein provided relating to the satisfaction and discharge of this Supplemental Indenture and the Indenture have been complied with and (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, this Supplemental Indenture or the Indenture or any other material agreement or instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound.

Opinions of Counsel required to be delivered under this Section 9.01 may have qualifications customary for opinions of the type required and counsel delivering such opinions of Counsel may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

Notwithstanding the satisfaction and discharge of this Supplemental Indenture and the Indenture, the obligations of the Company to the Trustee under Section 11.2 of the Indenture and, if Sterling shall have been deposited with the Trustee pursuant to subclause (2) of Subsection (a) of this Section 9.01, the obligations of the Trustee under Section 2.05 and Section 9.02 of this Supplemental Indenture shall survive.

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Section 9.02. Application of Trust Money.

Subject to the provisions of Section 2.05, all Sterling deposited with the Trustee pursuant to Section 9.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Supplemental Indenture and the Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of, premium, if any, and interest on the Notes for whose payment such Sterling have been deposited with the Trustee, but such money need not be segregated from other funds except to the extent required by law or GAAP.

### Section 9.03. Termination of the Company's Obligation.

The Company may, provided that no Default or Event of Default has occurred and is continuing or would arise therefrom (or, with respect to a Default or Event of Default specified in Section 6.01(h) or (i), occurs at any time on or prior to the 91st calendar day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 91st day)), terminate its and its Restricted Subsidiaries' substantive obligations in respect of Article Four of this Supplemental Indenture (other than Sections 4.01, 4.02, 4.04 and 4.06), Article Five hereof and Article Nine hereof (other than Sections 9.01, 9.02 and 9.03) and any Event of Default specified in Section 6.01(c) or (d) by (i) depositing with the Trustee, under the terms of an irrevocable trust agreement for the benefit of the Holders, cash in Sterling or United Kingdom Government Obligations (or a combination thereof) sufficient in the opinion of an internationally recognized firm of independent public accountants (without reinvestment) to pay all remaining Indebtedness on the Notes, (ii) delivering to the Trustee opinions of counsel in the United States and the United Kingdom reasonably acceptable to the Trustee confirming that the holders of the Notes will not recognize income, gain or loss for United States federal income tax purposes or United Kingdom income tax purposes as a result of such termination and will be subject to United States federal income tax and United Kingdom income tax on the same amounts, in the same manner and at the same times as would have been the case if such termination had not occurred, (iii) delivering to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Notes over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others, (iv) delivering to the Trustee Opinions of Counsel to the effect that (A) the trust funds will not be subject to any rights of holders of Indebtedness of the Company other than the Notes and (B) assuming no intervening bankruptcy of the Company between the date of deposit and the 91st day following the deposit and that no Holder of the Notes is an insider of the Company, after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (v) delivering to the Trustee Opinions of Counsel to the effect that the Company's exercise of its option under this Section 9.03 will not result in any of the Company, the Trustee or the trust created by the Company's deposit of funds pursuant to this provision becoming or being deemed to be an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and (vi) delivering to the Trustee an Officers' Certificate and Opinions of Counsel each stating compliance with all conditions precedent provided for herein. In addition, the Company may, provided that no Default or Event of Default has occurred and is continuing or would arise therefrom (or, with respect to a Default or Event of Default specified in Section 6.01(h) or (i), occurs at any time on or prior to the 91st calendar day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 91st day)) and provided that no default under any Indebtedness would arise therefrom, terminate all of its and the Guarantors' substantive obligations in respect of the Notes (including its obligations to pay the principal of and interest on the Notes and the Guarantors' Guarantee thereof) by (i) depositing with the Trustee, under the terms of an irrevocable trust agreement, cash in Sterling or United Kingdom Government Obligations sufficient (without reinvestment) to pay all remaining Indebtedness on the Notes, (ii) delivering to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Supplemental Indenture, there has been a change in the applicable

federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of the Notes will not recognize income, gain or loss for United States federal income tax and United Kingdom income tax purposes as a result of such termination and will be subject to United States federal income tax and United Kingdom income tax on the same amounts, in the same manner and at the same times as would have been the case had such termination not occurred, (iv) delivering to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Notes over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others, (v) delivering to the Trustee Opinions of Counsel to the effect that (A) the trust funds will not be subject to any rights of holders of Indebtedness of the Company other than the Notes and (B) assuming no intervening bankruptcy of the Company between the date of deposit and the 91st day following the deposit and that no Holder of the Notes is an insider of the Company, after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (vi) delivering to the Trustee Opinions of Counsel to the effect that the Company's exercise of its option under this Section 9.03 will not result in any of the Company, the Trustee or the trust created by the Company's deposit of funds pursuant to this provision becoming or being deemed to be an "investment

company" under the Investment Company Act and (vii) delivering to the Trustee an Officers' Certificate and Opinions of Counsel each stating compliance with all conditions precedent provided for herein.

Notwithstanding the foregoing paragraph, the Company's obligations in Sections 2.02, 2.07, 2.08, 2.11, 2.13, 4.01, 4.06, 6.01, 9.02, 9.05 and 9.06 of this Supplemental Indenture and Sections 4.1, 11.2 and 11.6 of the Indenture shall survive until the Notes are no longer outstanding. Thereafter, the Company's obligations in Sections 9.02, 9.05 and 9.06 of this Supplemental Indenture shall survive.

After such delivery or irrevocable deposit and delivery of an Officers' Certificate and Opinion of Counsel, the Trustee upon request shall acknowledge in writing the discharge of the Company's and the Guarantors' obligations under the Notes, this Supplemental Indenture and the Indenture except for those surviving obligations specified above.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the United Kingdom Government Obligations deposited pursuant to this Section 9.03 or the principal 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 outstanding Notes.

#### Section 9.04. Application of Trust Money.

The Trustee shall hold in trust money or United Kingdom Government Obligations deposited with it pursuant to Section 9.03, and shall apply the deposited money and the proceeds from United Kingdom Government Obligations in accordance with this Supplemental Indenture and the Indenture solely to the payment of principal of and interest on the Notes.

#### Section 9.05. Repayment to Company.

Subject to Section 11.2 of the Indenture and Section 9.03 of this Supplemental Indenture, the Trustee shall promptly pay to the Company upon written request any excess money held by it at any time. The Trustee shall pay to the Company upon written request any money held by it for the payment of principal or interest that remains unclaimed for two years; provided, however, that the Trustee before being required to make any payment may at the expense of the Company cause to be published once in a newspaper of general circulation in The City of New York and London, England or mail to each Holder entitled to such money notice that such money remains unclaimed and that, after a date specified therein which shall be at least 30 days from the date of such publication or mailing, any unclaimed balance of such money then remaining shall be repaid to the

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Company. After payment to the Company, Holders 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 9.06. Reinstatement.

If the Trustee is unable to apply any money or United Kingdom Government Obligations in accordance with Section 9.03 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, the Company's and the Guarantors' obligations under this Supplemental Indenture and the Indenture, the Notes and the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 9.03 until such time as the Trustee is permitted to apply all such money or United Kingdom Government Obligations in accordance with Section 9.03; provided, however, that if the Company has made any payment of interest on or principal of 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 United Kingdom Government Obligations held by the Trustee.

### ARTICLE 10

#### GUARANTEES

The provisions of this Article 10 shall apply to the Notes (but not with respect to any other series of Debt Securities), and shall replace in its entirety Article XIV of the Indenture as it applies to the Notes (but not with respect to any other series of Debt Securities).

#### Section 10.01. Guarantors' Guarantee.

For value received, each of the Guarantors, in accordance with this Article Ten, hereby absolutely, unconditionally and irrevocably guarantees, jointly and severally, to the Trustee and the Holders, as if the Guarantors were the principal debtor, the punctual payment and performance when due of all

Indenture Obligations (which for purposes of this Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this Guarantee).

Section 10.02. Continuing Guarantee; No Right of Set-Off; Independent Obligation.

(a) This Guarantee shall be a continuing guarantee of the payment and performance of all Indenture Obligations and shall remain in full force and effect until the payment in full of all of the Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders. Each Guarantor, jointly and severally, covenants and agrees to comply with all obligations, covenants, agreements and provisions applicable to it in this Supplemental Indenture and the Indenture including those set forth in Article Five hereof. Without limiting the generality of the foregoing, each of the Guarantors' liability shall extend to all amounts which constitute part of the Indenture Obligations and would be owed by the Company under this Supplemental Indenture and the Indenture and the Notes but for the fact that they are unenforceable, reduced, limited, impaired, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company.

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(b) Each Guarantor, jointly and severally, hereby guarantees that the Indenture Obligations will be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise) in Sterling.

(c) Each Guarantor, jointly and severally, guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the holders of the Notes.

(d) Each Guarantor's liability to pay or perform or cause the performance of the Indenture Obligations under this Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to the Guarantors in the manner prescribed in Section 4.15.

(e) Except as provided herein, the provisions of this Article Ten cover all agreements between the parties hereto relative to this Guarantee and none of the parties shall be bound by any representation, warranty or promise made by any Person relative thereto which is not embodied herein; and it is specifically acknowledged and agreed that this Guarantee has been delivered by each Guarantor free of any conditions whatsoever and that no representations, warranties or promises have been made to any Guarantor affecting its liabilities hereunder, and that the Trustee shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Company to any Guarantor.

Section 10.03. Guarantee Absolute.

The obligations of the Guarantors hereunder are independent of the obligations of the Company under the Notes and this Supplemental Indenture and the Indenture and a separate action or actions may be brought and prosecuted against any Guarantor whether or not an action or proceeding is brought against the Company and whether or not the Company is joined in any such action or proceeding. The liability of the Guarantors hereunder is irrevocable, absolute and unconditional and (to the extent permitted by law) the liability and obligations of the Guarantors hereunder shall not be released, discharged, mitigated, waived, impaired or affected in whole or in part by:

(a) any defect or lack of validity or enforceability in respect of any Indebtedness or other obligation of the Company or any other Person under this Supplemental Indenture and the Indenture or the Notes, or any agreement or instrument relating to either of the foregoing;

(b) any grants of time, renewals, extensions, indulgences, releases, discharges or modifications which the Trustee or the Holders may extend to, or make with, the Company, any Guarantor or any other Person, or any change in the time, manner or place of payment of, or in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of, or any consent to or departure from, this Supplemental Indenture and the Indenture or the Notes, including any increase or decrease in the Indenture Obligations;

(c) the taking of security from the Company, any Guarantor or any other Person, and the release, discharge or alteration of, or other

dealing with, such security;

(d) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Indenture Obligations and the obligations of any Guarantor hereunder;

(e) the abstention from taking security from the Company, any Guarantor or any other Person or from perfecting, continuing to keep perfected or taking advantage of any security;

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(f) any loss, diminution of value or lack of enforceability of any security received from the Company, any Guarantor or any other Person, and including any other guarantees received by the Trustee;

(g) any other dealings with the Company, any Guarantor or any other Person, or with any security;

(h) the Trustee's or the Holders' acceptance of compositions from the Company or any Guarantor;

(i) the application by the Holders or the Trustee of all monies at any time and from time to time received from the Company, any Guarantor or any other Person on account of any indebtedness and liabilities owing by the Company or any Guarantor to the Trustee or the Holders, in such manner as the Trustee or the Holders deems best and the changing of such application in whole or in part and at any time or from time to time, or any manner of application of collateral, or proceeds thereof, to all or any of the Indenture Obligations, or the manner of sale of any Collateral;

(j) the release or discharge of the Company or any Guarantor of the Notes or of any Person liable directly as surety or otherwise by operation of law or otherwise for the Notes, other than an express release in writing given by the Trustee, on behalf of the Holders, of the liability and obligations of any Guarantor hereunder;

(k) any change in the name, business, capital structure or governing instrument of the Company or any Guarantor or any refinancing or restructuring of any of the Indenture Obligations;

(l) the sale of the Company's or any Guarantor's business or any part thereof;

(m) subject to Section 10.14, any merger or consolidation, arrangement or reorganization of the Company, any Guarantor, any Person resulting from the merger or consolidation of the Company or any Guarantor with any other Person or any other successor to such Person or merged or consolidated Person or any other change in the corporate existence, structure or ownership of the Company or any Guarantor;

(n) the insolvency, bankruptcy, liquidation, winding-up, dissolution, receivership or distribution of the assets of the Company or its assets or any resulting discharge of any obligations of the Company (whether voluntary or involuntary) or of any Guarantor or the loss of corporate existence;

(o) subject to Section 10.14, any arrangement or plan of reorganization affecting the Company or any Guarantor;

(p) any other circumstance (including any statute of limitations) that might otherwise constitute a defense available to, or discharge of, the Company or any Guarantor; or

(q) any modification, compromise, settlement or release by the Trustee, or by operation of law or otherwise, of the Indenture Obligations or the liability of the Company or any other obligor under the Notes, in whole or in part, and any refusal of payment by the Trustee, in whole or in part, from any other obligor or other guarantor in connection with any of the Indenture Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, each of the Guarantors.

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#### Section 10.04. Right to Demand Full Performance.

In the event of any demand for payment or performance by the Trustee from any Guarantor hereunder, the Trustee or the Holders shall have the right to demand its full claim and to receive all dividends or other payments in respect thereof until the Indenture Obligations have been paid in full, and the



Guarantors shall continue to be jointly and severally liable hereunder for any balance which may be owing to the Trustee or the Holders by the Company under this Supplemental Indenture and the Indenture and the Notes. The retention by the Trustee or the Holders of any security, prior to the realization by the Trustee or the Holders of its rights to such security upon foreclosure thereon, shall not, as between the Trustee and any Guarantor, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Indenture Obligations due to the Trustee or the Holders by the Company or any part thereof.

#### Section 10.05. Waivers.

(a) Each Guarantor hereby expressly waives (to the extent permitted by law) notice of the acceptance of this Guarantee and notice of the existence, renewal, extension or the non-performance, non-payment, or non-observance on the part of the Company of any of the terms, covenants, conditions and provisions of this Supplemental Indenture and the Indenture or the Notes or any other notice whatsoever to or upon the Company or such Guarantor with respect to the Indenture Obligations. Each Guarantor hereby acknowledges communication to it of the terms of this Supplemental Indenture and the Indenture and the Notes and all of the provisions therein contained and consents to and approves the same. Each Guarantor hereby expressly waives (to the extent permitted by law) diligence, presentment, protest and demand for payment.

(b) Without prejudice to any of the rights or recourses which the Trustee or the Holders may have against the Company, each Guarantor hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:

(i) initiate or exhaust any rights, remedies or recourse against the Company, any Guarantor or any other Person;

(ii) value, realize upon, or dispose of any security of the Company or any other Person held by the Trustee or the Holders; or

(iii) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity;

before requiring or becoming entitled to demand payment from such Guarantor under this Guarantee.

#### Section 10.06. The Guarantors Remain Obligated in Event the Company Is No Longer Obligated to Discharge Indenture Obligations.

It is the express intention of the Trustee and the Guarantors that if for any reason the Company has no legal existence, is or becomes under no legal obligation to discharge the Indenture Obligations owing to the Trustee or the Holders by the Company or if any of the Indenture Obligations owing by the Company to the Trustee or the Holders becomes irrecoverable from the Company by operation of law or for any reason whatsoever, this Guarantee and the covenants, agreements and obligations of the Guarantors contained in this Article Ten shall nevertheless be binding upon the Guarantors, as principal debtor, until such time as all such Indenture Obligations have been paid in full to the Trustee and all Indenture Obligations owing to the Trustee or the Holders by the Company have been discharged, or such earlier time as Section 9.01 shall apply to the Notes and the Guarantors shall be responsible for the payment thereof to the Trustee or the Holders upon demand.

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#### Section 10.07. Fraudulent Conveyance; Subrogation.

(a) Any term or provision of this Guarantee to the contrary notwithstanding, (i) the aggregate amount of the Indenture Obligations guaranteed hereunder shall be reduced to the extent necessary to prevent this Guarantee from violating or becoming voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally and (ii) with respect to the liability of Canandaigua B.V. only, the liability of Canandaigua B.V. under its Guarantee shall not exceed the net intrinsic value of Canandaigua B.V. without leaving the other creditors of Canandaigua B.V. unpaid.

(b) Each Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Article Ten.

#### Section 10.08. Guarantee Is Additional to Other Security.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Trustee may now or hereafter hold in respect of the Indenture Obligations owing to the Trustee or the Holders by the Company and (except as may be required by law) the Trustee shall be under no obligation to marshal in favor of each of the Guarantors any other guarantees

or other security or any moneys or other assets which the Trustee may be entitled to receive or upon which the Trustee or the Holders may have a claim.

Section 10.09. No Recourse Against Others.

A director, officer, employee, stockholder or incorporator, as such, of the Company shall not have any liability for any obligations of the Company under the Notes or this Supplemental Indenture and the Indenture or for any claim based on, in respect of or by reason of such obligations or their creations. Each Holder by accepting a Note waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.

Section 10.10. No Bar to Further Actions.

Except as provided by law, no action or proceeding brought or instituted under Article Ten and this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defense to any further action or proceeding which may be brought under this Article Ten and the Guarantee by reason of any further default or defaults under this Article Ten and the Guarantee or in the payment of any of the Indenture Obligations owing by the Company.

Section 10.11. Failure To Exercise Rights Shall Not Operate as a Waiver; No Suspension of Remedies.

(a) No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, power, privilege or remedy under this Article Ten and the Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise of any rights, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other rights, powers, privileges or remedies. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law or equity.

(b) Nothing contained in this Article Ten shall limit the right of the Trustee or the Holders to take any action to accelerate the maturity of the Notes pursuant to Article Six or to pursue any rights or remedies hereunder or under applicable law.

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Section 10.12. Trustee's Duties; Notice to Trustee.

(a) Any provision in this Article Ten or elsewhere in this Supplemental Indenture or the Indenture allowing the Trustee to request any information or to take any action authorized by, or on behalf of any Guarantor, shall be permissive and shall not be obligatory on the Trustee except as the Holders may direct in accordance with the provisions of this Supplemental Indenture and the Indenture or where the failure of the Trustee to request any such information or to take any such action arises from the Trustee's negligence or willful misconduct.

(b) The Trustee shall not be required to inquire into the existence, powers or capacities of the Company, any Guarantor or the officers, directors or agents acting or purporting to act on their respective behalf.

Section 10.13. Successors and Assigns.

All terms, agreements and conditions of this Article Ten shall extend to and be binding upon each Guarantor and its successors and permitted assigns and shall inure to the benefit of and may be enforced by the Trustee and its successors and assigns; provided, however, that the Guarantors may not assign any of their rights or obligations hereunder other than in accordance with Article Five.

Section 10.14. Release of Guarantee.

Concurrently with the payment in full of all of the Indenture Obligations, the Guarantors shall be released from and relieved of their obligations under this Article Ten. Upon the delivery by the Company to the Trustee of an Officer's Certificate and, if requested by the Trustee, an Opinion of Counsel to the effect that the transaction giving rise to the release of this Guarantee was made by the Company in accordance with the provisions of this Supplemental Indenture and the Indenture and the Notes, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guarantors from their obligations under this Guarantee. If any of the Indenture Obligations are revived and reinstated after the termination of this Guarantee, then all of the obligations of the Guarantors under this Guarantee shall be revived and reinstated as if this Guarantee had not been terminated until such time as the Indenture Obligations are paid in full, and each Guarantor shall enter into an amendment to this Guarantee, reasonably satisfactory to the Trustee, evidencing such revival and reinstatement.

This Guarantee shall terminate with respect to each Guarantor and

shall be automatically and unconditionally released and discharged as provided in Section 4.15.

Section 10.15. Execution of Guarantee.

To evidence the Guarantee, each Guarantor hereby agrees to execute the guarantee substantially in the form set forth in Exhibit C hereto, to be endorsed on each Note authenticated and delivered by the Trustee and that this Supplemental Indenture shall be executed on behalf of each Guarantor by one of its Officers, or one of its other officers (or officer's of the Company) or any other person (through power of attorney or otherwise) in each case duly authorized by such Guarantor's board of directors. The signature of any of these officers on the Notes may be manual or facsimile.

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ARTICLE 11

MISCELLANEOUS

Section 11.01. Ratification of the Indenture.

Except as expressly modified or amended hereby, the Indenture continues in full force and effect and is in all respects confirmed and preserved.

Section 11.02. Notices.

Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by telex, by telecopier or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to the Company:

Canandaigua Brands, Inc.  
300 WillowBrook Office Park  
Fairport, New York 14450  
Attention: Robert Sands, Executive  
Vice President and General Counsel  
Fax: (716) 218-2160

Copy to:

McDermott Will & Emery  
227 West Monroe Street  
Chicago, Illinois 60606  
Attention: Bernard Kramer, Esq.  
Fax: (312) 984-7700

If to the Trustee:

Harris Trust and Savings Bank  
311 West Monroe Street  
Chicago, Illinois 60690  
Attention: Daniel G. Donovan  
Fax: (312) 461-3525

The Company or the Trustee by written notice to the others may designate additional or different addresses for subsequent notices or communications. Any notice or communication to the Company or the Trustee, shall be deemed to have been given or made as of the date so delivered if personally delivered; when answered back, if telexed; when receipt is acknowledged, if telecopied; and five (5) calendar days after mailing if sent by mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee).

All notices to the Holders will be valid if (i) (A) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such Stock Exchange shall so require, published in the Luxemburger Wort or another newspaper having general circulation in Luxembourg and (B) (in addition to

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publication as described above) also given by substantially concurrent delivery of the relevant notice to DTC, Euroclear and/or Cedelbank (as the case may be) for communication to the holders of the Book-Entry Interests, or (ii) in the case of a Holder of a Definitive Registered 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), mailed to such Holders by first-class mail at their respective addresses as they appear in the Register (and, if and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such Stock Exchange shall require, published in a newspaper having general circulation in Luxembourg). If

publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Copies of any such communication or notice to a Holder shall also be mailed to the Trustee, the Registrar and each Agent at the same time. To the extent required by the Trust Indenture Act, any notice or communication shall also be mailed to any Person described in TIA ss. 313(c).

Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. Except for a notice to the Trustee, which is deemed given only when received, and except as otherwise provided in this Indenture, if a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Section 11.03. Governing Law.

This Supplemental Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of law principles thereof. This Supplemental Indenture is subject to the provisions of the TIA, and shall, to the extent applicable, be governed by such provisions.

Section 11.04. Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 11.05. Table of Contents, Headings, etc.

The table of contents, cross-reference sheet and headings of the Articles and Sections of this Supplemental Indenture and the Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.06. Separability.

Each provision of this Supplemental Indenture shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purpose of this Supplemental Indenture and the Indenture or the Notes 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.

Section 11.07. Benefits of Supplemental Indenture and the Indenture.

Nothing in this Supplemental Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture and the Indenture.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed all as of the date and year first written above.

CANANDAIGUA BRANDS, INC.

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

BATAVIA WINE CELLARS, INC.

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

BARTON INCORPORATED

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

BARTON BRANDS, LTD.

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

BARTON BEERS, LTD.

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

BARTON BRANDS OF CALIFORNIA, INC.

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

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BARTON BRANDS OF GEORGIA, INC.

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

BARTON DISTILLERS IMPORT CORP.

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

BARTON FINANCIAL CORPORATION

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

STEVENS POINT BEVERAGE CO.

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

CANANDAIGUA LIMITED

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

MONARCH IMPORT COMPANY

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

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CANANDAIGUA WINE COMPANY, INC.

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

CANANDAIGUA EUROPE LIMITED

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

ROBERTS TRADING CORP.

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

POLYPHENOLICS, INC.

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

FRANCISCAN VINEYARDS, INC.

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

ALLBERRY, INC.

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

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CLOUD PEAK CORPORATION

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

M.J. LEWIS CORP.

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

MT. VEEDER CORPORATION

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

CANANDAIGUA B.V.

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

BARTON CANADA, LTD.

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

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HARRIS TRUST AND SAVINGS BANK,  
as Trustee

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

Name:  
Title:

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EXHIBIT A

[CUSIP/ISIN No.: ]

{Face of Note}

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 OR A SUCCESSOR DEPOSITORY. TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF [ ], OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.01 AND 2.07 OF SUPPLEMENTAL INDENTURE NO. 4. (1)

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. (2)

CANANDAIGUA BRANDS, INC.

-----  
8 1/2% SERIES C SENIOR NOTE DUE 2009

[CUSIP/ISIN] NO.

No. C- (pound)

CANANDAIGUA BRANDS, INC., a Delaware corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to , or registered assigns, the principal sum of United Kingdom pounds sterling on November 15, 2009, at the office or agency of the Company referred to below, and to pay interest thereon from May 15, 2000, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on May 15 and November 15, in each year, commencing November 15, 2000,

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- (1) Include this legend on any Global Security.
- (2) Include this legend on any Global Security issued to Cede & Co. as nominee of The Depository Trust Company.

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at the rate of 8 1/2% per annum, in United Kingdom pounds sterling, until the principal hereof is paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the regular record date for such interest, which shall be May 1 or November 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Notes, to the extent lawful, shall forthwith cease to be payable to the Holder on such regular record date, and may be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Subject to the terms of Supplemental Indenture No. 4 hereinafter referred to, payment of the principal of, premium, if any, and interest on this Note will be made at the office or agency of the Company maintained for that purpose, in such coin or currency of the United Kingdom as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company, (i) in the case of a Global Note, by wire or book entry transfer to the Depository Trust Company, Morgan Guaranty Trust Company of New York, Brussels office, as the operator of the Euroclear System or Clearstream Banking or their respective nominees, or (ii) in all other cases, by check mailed to the address of the Person entitled thereto as such address shall appear on the Register. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Note is entitled to the benefits of Guarantees by each of the Guarantors of the punctual payment when due of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is hereby made to Article Ten of Supplemental Indenture No. 4 hereinafter referred to for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of each of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Dated:

CANANDAIGUA BRANDS, INC.

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

Name:

Title:

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 8 1/2% Series C Senior Notes due 2009 referred to in the within-mentioned Indenture.

As Trustee, Harris Trust and Savings Bank

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

Name:

Title:

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{Reverse of Note}

CANANDAIGUA BRANDS, INC.

8 1/2% SENIOR NOTE DUE 2009

This Note is one of a duly authorized issue of Notes of the Company designated as its 8 1/2% Senior Notes due 2009 (herein called the "Notes"), limited in aggregate principal amount to (pound)300,000,000, issued under an indenture (the "Base Indenture"), dated as of February 25, 1999, among the Company, certain of the Guarantors and Harris Trust and Savings Bank, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), as supplemented by Supplemental Indenture No. 3 ("Supplemental Indenture No. 3"), dated as of August 6, 1999, among the Company, certain of the Guarantors and the Trustee, as further supplemented by Supplemental Indenture No. 4 ("Supplemental Indenture No. 4" and together with the Base Indenture and Supplemental Indenture No. 3, the "Indenture"), dated as of May 15, 2000, among the Company, the Guarantors and the Trustee and all further indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Notes, and of the terms upon which the Notes are, and are to be, authenticated and delivered. Capitalized terms used herein without definition have the meanings assigned to



such terms in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Notes or (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Notes will be redeemable, in whole or in part, at the option of the Company at any time at a redemption price equal to the greater of (i) 100% of the principal amount of such Notes, and (ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Gilt Rate plus 50 basis points, plus, in each case, accrued interest thereon to the date of redemption.

Upon the occurrence of a Change of Control, each Holder may require the Company to repurchase all or a portion of such Holder's Notes in an amount of (pound)1,000 or integral multiples of (pound)1,000, at a purchase price in cash equal to 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of repurchase.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay secured Indebtedness or invested in properties or assets used in the businesses of the Company or reasonably related thereto, exceeds a specified amount the Company will be required to apply such proceeds to the repayment of the Notes and certain indebtedness ranking pari passu to the Notes.

The Notes of any Holder will be subject to a Tax Redemption at 100% of the principal amount thereof on the Redemption Date, plus accrued and unpaid interest, if any, to the Redemption Date under the circumstances and subject to the limitations described in the Indenture.

In the case of any redemption or repurchase of Notes in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the redemption date will be available to the Holders of such

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Notes of record as of the close of business on the relevant regular record date referred to on the face hereof. Notes (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the date of redemption.

In the event of redemption or repurchase of this Note in accordance with the Indenture in part only, a new Note or Notes for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

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

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Guarantors and the Holders under the Indenture and the Notes and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all the Notes, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Notes and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Notes (in the event such Guarantor or other obligor is obligated to make payments in respect of the Notes), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Note at the times, place, and rate, and in the coin or currency, herein prescribed.

This Global Note will be exchangeable for Definitive Notes only (i) (in whole but not in part) if either DTC, the Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease

business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available, or (ii) (in part) if an Event of Default under the Indenture occurs and is continuing, upon the request delivered in writing to DTC, Euroclear and/or Clearstream, the Trustee, the Common Depositary or the Custodian by the owner of a Book-Entry Interest (as defined in the Indenture), (iii) (in whole but not in part) if at any time the Company in its sole discretion determines that this Global Note should be exchanged for Definitive Notes or (iv) (in whole but not in part) if either the Custodian or the Common Depositary is at any time unwilling or unable to continue as the Common Depositary or the Custodian, as the case may be, and a successor Common Depositary or Custodian, as the case may be, is not able to be appointed by the Company within 90 days. Thereupon (in the case of (i), (ii) and (iv) above, the holder of this Global Note (acting on the instructions of (a) holder(s) of (a) Book-Entry Interest(s) may give notice to the Company and (in the case of (iii) above) the Company may give notice to the Trustee and the Holders, of its intention to exchange this Global Note for Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of this Global Note may or, in the case of (iii) above, shall surrender this Global Security to or to the order of the Principal Paying Agent. In exchange for this Global Security the Company will deliver, or procure the delivery of, Definitive Notes in registered form in denominations of (pound)1,000 each or any integral multiple thereof in exchange for the whole or, in the case of (ii) above, the relevant part of this Global Note).

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"Exchange Date" means a day specified in the notice requiring exchange falling not more than 60 days after that on which such notice is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the city in which the relevant clearing system is located.

Upon (i) any exchange of a part of this Global Note for all or a part another Global Note or for Definitive Notes or (ii) the purchase by or on behalf of the Company, or any Subsidiary of the Company and cancellation of a part of this Global Note in accordance with the Section 2.12 of Supplemental Indenture No. 4, the portion of the principal amount hereof so exchanged or so purchased and canceled shall be endorsed by or on behalf of the Principal Paying Agent on behalf of the Company on Part II of the Schedule hereto, whereupon the principal amount of this Global Note shall be reduced by the principal amount so exchanged or so purchased and canceled and endorsed. Upon the exchange of the whole of this Global Note for another Global Note or for Definitive Notes, this Global Note shall be surrendered to or to the order of the Principal Paying Agent and canceled and, if the holder of this Global Note requests, returned to it together with any relevant Definitive Notes, if applicable.

The Notes in certificated form are issuable only in registered form without coupons in denominations of (pound)1,000 and any integral multiple thereof.

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

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

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

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FORM OF TRANSFER NOTICE

I or we assign and transfer this Note to:

Please insert social security or other identifying number of assignee

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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.

Dated \_\_\_\_\_ Signed \_\_\_\_\_

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

{Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17 Ad-15}

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THE SCHEDULES

PART I

PAYMENTS OF PRINCIPAL, PREMIUM AND INTEREST

The following payments on this Global Note have been made:

Date made	Interest paid (pound)	Premium paid (pound)	Principal paid (pound)	Remaining principal amount of this Global Note following such payment (pound)	Notation made on behalf of the Company
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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PART II

EXCHANGES  
AND PURCHASES AND CANCELLATIONS

The following exchanges of a part of this Global Note for a like part of another Global Note, of this Global Note for Definitive Notes and purchases and cancellations of a part of this Global Note have been made:

<TABLE>  
<CAPTION>

Date made <S>	Part of principal amount of this Global Note exchanged for a like part of another Global Note or vice versa or of this Global Note for Definitive Notes (pound) <C>	Part of principal amount of this Global Note purchased and canceled (pound) <C>	Aggregate principal amount of this Global Note following such exchange or purchase and cancellation (pound) <C>	Notation made on behalf of the Company (pound) <C>

</TABLE>

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EXHIBIT B

{Face of Note}

CANANDAIGUA BRANDS, INC.

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8 1/2% SERIES C SENIOR NOTE DUE 2009

No. C-

(pound)

CANANDAIGUA BRANDS, INC., a Delaware corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to , or registered assigns, the principal sum of United Kingdom pounds sterling on November 15, 2009, at the office or agency of the Company referred to below, and to pay interest thereon from May 15, 2000 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on May 15 and November 15, in each year, commencing November 15, 2000, at the rate of 8 1/2% per annum, in United Kingdom pounds sterling, until the principal hereof is paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered

at the close of business on the regular record date for such interest, which shall be May 1 or November 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Notes, to the extent lawful, shall forthwith cease to be payable to the Holder on such regular record date, and may be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Subject to the terms of Supplemental Indenture No. 4 hereinafter referred to, payment of the principal of, premium, if any, and interest on this Note will be made at the office or agency of the Company maintained for that purpose, in such coin or currency of the United Kingdom as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company, (i) in the case of a Global Note, by wire or book entry transfer to the Depository Trust Company, Morgan Guaranty Trust Company of New York, Brussels office, as the operator of the Euroclear System or Clearstream Banking or their respective nominees, or (ii) in all other cases, by check mailed to the address of the Person entitled thereto as such address shall appear on the Register. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Note is entitled to the benefits of Guarantees by each of the Guarantors of the punctual payment when due of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is hereby made to Article Ten of Supplemental Indenture No. 4 hereinafter referred to for a statement of

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the respective rights, limitations of rights, duties and obligations under the Guarantees of each of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Dated:

CANANDAIGUA BRANDS, INC.

By:

-----  
Name:  
Title:

Attest:

- -----  
Authorized Officer

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 8 1/2% Series C Senior Notes due 2009 referred to in the within-mentioned Indenture.

As Trustee, Harris Trust and Savings Bank

By:

-----  
Name:  
Title:

(Reverse of Note)

CANANDAIGUA BRANDS, INC.

8 1/2% SENIOR NOTE DUE 2009

This Note is one of a duly authorized issue of Notes of the Company designated as its 8 1/2% Senior Notes due 2009 (herein called the "Notes"), limited in aggregate principal amount to (pound)300,000,000, issued under an indenture (the "Base Indenture"), dated as of February 25, 1999, among the Company, certain of the Guarantors and Harris Trust and Savings Bank, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), as supplemented by Supplemental Indenture No. 3 ("Supplemental Indenture No. 3"), dated as of August 6, 1999, among the Company, certain of the Guarantors and the Trustee, as further supplemented by Supplemental Indenture No. 4 (the "Supplemental Indenture No. 4" and together with the Base Indenture and Supplemental Indenture No. 3, the "Indenture"), dated as of May 15, 2000, among the Company, the Guarantors and the Trustee and all further indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Notes, and of the terms upon which the Notes are, and are to be, authenticated and delivered. Capitalized terms used herein without definition have the meanings assigned to such terms in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Notes or (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Notes will be redeemable, in whole or in part, at the option of the Company at any time at a redemption price equal to the greater of (i) 100% of the principal amount of such Notes, and (ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Gilt Rate plus 50 basis points, plus, in each case, accrued interest thereon to the date of redemption.

Upon the occurrence of a Change of Control, each Holder may require the Company to repurchase all or a portion of such Holder's Notes in an amount of (pound)1,000 or integral multiples of (pound)1,000, at a purchase price in cash equal to 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of repurchase.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay secured Indebtedness or invested in properties or assets used in the businesses of the Company or reasonably related thereto, exceeds a specified amount the Company will be required to apply such proceeds to the repayment of the Notes and certain indebtedness ranking pari passu to the Notes.

The Notes of any Holder will be subject to a Tax Redemption at 100% of the principal amount thereof on the Redemption Date, plus accrued and unpaid interest, if any, to the Redemption Date under the circumstances and subject to the limitations described in the Indenture.

In the case of any redemption or repurchase of Notes in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the redemption date will be available to the Holders of such

Notes of record as of the close of business on the relevant regular record date referred to on the face hereof. Notes (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the date of redemption.

In the event of redemption or repurchase of this Note in accordance with the Indenture in part only, a new Note or Notes for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

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

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Guarantors and the Holders under the Indenture and

the Notes and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all the Notes, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Notes and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Notes (in the event such Guarantor or other obligor is obligated to make payments in respect of the Notes), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Note at the times, place, and rate, and in the coin or currency, herein prescribed.

The Notes in certificated form are issuable only in registered form without coupons in denominations of (pound)1,000 and any integral multiple thereof.

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

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

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

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FORM OF TRANSFER NOTICE

I or we assign and transfer this Note to:

Please insert social security or other identifying number of assignee

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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.

Dated \_\_\_\_\_ Signed \_\_\_\_\_

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

{Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17 Ad-15}

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EXHIBIT C

GUARANTEES

For value received, each of the undersigned hereby unconditionally guarantees, jointly and severally, to the holder of this Note the payment of principal of, premium, if any, and interest on the Note upon which these Guarantees are endorsed in the amounts and at the time when due and payable whether by declaration thereof, or otherwise, and interest on the overdue principal and interest, if any, of this Note, if lawful, and the payment or

performance of all other obligations of the Company under the Indenture or the Notes, to the holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note and Article Ten of Supplemental Indenture No. 4. These Guarantees will not become effective until the Trustee duly executes the certificate of authentication on this Note.

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

BATAVIA WINE CELLARS, INC.

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

BARTON INCORPORATED

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

BARTON BRANDS, LTD.

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

BARTON BEERS, LTD.

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

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BARTON BRANDS OF CALIFORNIA, INC.

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

BARTON BRANDS OF GEORGIA, INC.

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

BARTON DISTILLERS IMPORT CORP.

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

BARTON FINANCIAL CORPORATION

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

STEVENS POINT BEVERAGE CO.

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

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CANANDAIGUA LIMITED

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

MONARCH IMPORT COMPANY

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

CANANDAIGUA WINE COMPANY, INC.

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



CANANDAIGUA EUROPE LIMITED

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

ROBERTS TRADING CORP.

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

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POLYPHENOLICS, INC.

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

FRANCISCAN VINEYARDS, INC.

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

ALLBERRY, INC.

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

CLOUD PEAK CORPORATION

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

M.J. LEWIS CORP.

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

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MT. VEEDER CORPORATION

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

CANANDAIGUA B.V.

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

BARTON CANADA, LTD.

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

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EXHIBIT D

FORM OF CERTIFICATE OF TRANSFER

Re: Canandaigua Brands, Inc. ("the Company")  
8 1/2% Series C Senior Notes due 2009 (the "Notes")

Reference is hereby made to the Indenture, dated as of February 25, 1999 (the "Base Indenture"), among the Company, the Guarantors party thereto and Harris Trust and Savings Bank, as trustee (the "Trustee"), as Supplemented by Supplemental Indenture No. 3 ("Supplemental Indenture No. 3"), dated as of August 6, 1999, among the Company, the Guarantors party thereto and the Trustee and as further supplemented by Supplemental Indenture No. 4 ("Supplemental Indenture No. 4" and, together with the Base Indenture and Supplemental Indenture No. 3, the "Indenture"), among the Company, the Guarantors and the Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_ (the "Transferor") owns and proposes

to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in a principal amount at maturity of \$ \_\_\_\_\_ (the "Transfer"), to \_\_\_\_\_ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1.  Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the Book-Entry Interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the Book-Entry Interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2.  Check if Transferee will take delivery of a Book-Entry Interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note

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will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3.  Check and complete if Transferee will take delivery of a Book-Entry Interest in the 144A Global Note or a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to Book-Entry Interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a)  such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

- or -

(b)  such Transfer is being effected to the Company or a subsidiary thereof.

4.  Check if Transferee will take delivery of a Book-Entry Interest in an Unrestricted Global Note or an Unrestricted Definitive Note. The Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

\_\_\_\_\_  
[Insert Name of Transferor]

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

Dated:

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ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) or (b)]

(a)  a Book-Entry Interest in the:

(i)  144A Global Note (ISIN \_\_\_\_\_; Common Code \_\_\_\_\_), held through Participant Account \_\_\_\_\_, or

(ii)  Regulation S Global Note (ISIN \_\_\_\_\_; Common Code \_\_\_\_\_), held through Participant Account \_\_\_\_\_, or

(b)  a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE OF (a) or (b)]

(a)  a Book-Entry Interest in the:

(i)  144A Global Note (ISIN \_\_\_\_\_; Common Code \_\_\_\_\_), held through Participant Account \_\_\_\_\_, or

(ii)  Regulation S Global Note (ISIN \_\_\_\_\_; Common Code \_\_\_\_\_), held through Participant Account \_\_\_\_\_, or

(iii)  Unrestricted Global Note (ISIN \_\_\_\_\_; Common Code \_\_\_\_\_), held through Participant Account \_\_\_\_\_.

(b)  a Restricted Definitive Note; or

(c)  a Unrestricted Definitive Note.

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EXHIBIT E

FORM OF CERTIFICATE OF EXCHANGE  
(BETWEEN BOOK-ENTRY INTERESTS AND DEFINITIVE NOTES)

Re: Canandaigua Brands, Inc. ("the Company")  
8 1/2% Series C Senior Notes due 2009 (the "Notes")

Reference is hereby made to the Indenture, dated as of February 25, 1999 (the "Base Indenture"), among the Company, the Guarantors party thereto and Harris Trust and Savings Bank, as trustee (the "Trustee"), as Supplemented by Supplemental Indenture No. 3 ("Supplemental Indenture No. 3"), dated as of August 6, 1999, among the Company, the Guarantors party thereto and the Trustee and as further supplemented by Supplemental Indenture No. 4 ("Supplemental Indenture No. 4" and, together with the Base Indenture and Supplemental Indenture No. 3, the "Indenture"), among the Company, the Guarantors and the Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_ (the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified on Annex A hereto, in a principal amount at maturity of \$\_\_\_\_\_ (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Book-Entry Interests in Restricted Global Notes for Restricted Definitive Notes or Book-Entry Interests in Restricted Global Notes

In connection with the Exchange of the Owner's Book-Entry Interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with

the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

The Owner requests that Definitive Notes be registered in the following name:

\_\_\_\_\_  
\_\_\_\_\_

and sent to the Owner at the following address:

\_\_\_\_\_  
\_\_\_\_\_

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This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Owner]

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

Dated:

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EXHIBIT F

[FORM OF ]  
INTERCOMPANY NOTE

Evidences of all loans or advances ("Loans") made hereunder shall be reflected on the grid attached hereto. FOR VALUE RECEIVED, \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Maker"), HEREBY PROMISES TO PAY ON DEMAND to the order of \_\_\_\_\_ (the "Holder") the principal sum of the aggregate unpaid principal amount to all Loans (plus accrued interest thereon) at any time and from time to time made hereunder which has not been previously paid.

Reference is hereby made to the Indenture, dated as of February 25, 1999 (the "Base Indenture"), among the Company, the Guarantors party thereto and Harris Trust and Savings Bank, as trustee (the "Trustee"), as Supplemented by Supplemental Indenture No. 3 ("Supplemental Indenture No. 3"), dated as of August 6, 1999, among the Company, the Guarantors party thereto and the Trustee and as further supplemented by Supplemental Indenture No. 4 ("Supplemental Indenture No. 4" and, together with the Base Indenture and Supplemental Indenture No. 3, the "Indenture"), among the Company, the Guarantors and the Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

ARTICLE I

TERMS OF INTERCOMPANY NOTE

Section 1.01 Note Forgivable. Unless the Maker of the Loan hereunder is either of the Company or any Guarantor, the Holder may not forgive any amounts owing under this intercompany note.

Section 1.02 Interest: Prepayment. (a) The interest rate ("Interest Rate") on the Loans shall be a rate per annum reflected on the grid attached hereto.

(b) The interest, if any, payable on each of the Loans shall accrue from the date such Loan is made and, subject to Section 2.01, shall be payable upon demand of the Holder.

(c) If the principal or accrued interest, if any, of the Loans is not paid on the date demand is made, interest on the unpaid principal and interest will accrue at a rate equal to the Interest Rate, if any, plus 100 basis points per annum from maturity until the principal and interest on such Loans are fully paid.

(d) Subject to Section 2.01, any amounts hereunder may be prepaid at any time by the Maker.

Section 1.03 Subordination. All loans made to either of the Company or any Guarantor shall be subordinated in right of payment to the payment and performance of the obligations of the Company and any Subsidiary under the Indenture, the Notes, the Guarantees or any other Indebtedness ranking pari passu with the Notes, or any Guarantees, including, without limitation, any Indebtedness incurred under the Credit Agreement; provided that with respect to a Subsidiary in any specific instance, such Subsidiary is also an obligor under the Indenture, the Notes, a Guarantee or such other senior or pari passu Indebtedness, as the case may be, whether as a borrower, guarantor or pledgor of collateral.

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## ARTICLE II

### EVENTS OF DEFAULT

Section 2.01 Events of Default. If after the date of issuance of this Loan (i) an Event of Default has occurred under the Indenture, (ii) an "Event of Default" (as defined) has occurred under the Credit Agreement, or any refinancing of the Credit Agreement or (iii) an "event of default" (as defined) has occurred on any other Indebtedness of the Company or any Guarantor, then (x) in the event the Maker is not either one of the Company or a Guarantor, all amounts owing under the Loans hereunder shall be immediately due and payable to the Holder, and (y) in the event the Maker is either the Company or a Guarantor, the amounts owing under the Loans hereunder shall not be due and payable; provided, however, that if such Event of Default or event of default has been waived, cured or rescinded, such amounts shall no longer be due and payable in the case of clause (x), and such amounts may be payable in the case of clause (y). If the Holder is a Subsidiary, then the Holder hereby agrees that if it receives any payments or distributions on any Loan from the Company or a Guarantor which is not payable pursuant to clause (y) of the prior sentence after any Event of Default or event or default described in clauses (i), (ii) or (iii) above has occurred, is continuing and has not been waived, cured or rescinded, it will pay over and deliver forthwith to the Company or such Guarantor, as the case may be, all such payments and distributions.

## ARTICLE III

### MISCELLANEOUS

Section 3.01 Amendments, Etc. No amendment or waiver of any provision of this intercompany note, or consent to depart herefrom is permitted at any time for any reason, except with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes.

Section 3.02 Assignment. No party to this Agreement may assign, in whole or in part, any of its rights and obligations under this intercompany note, except to its legal successor in interest.

Section 3.03 Third Party Beneficiaries. The holders of the Notes or any other Indebtedness ranking pari passu with or senior to, the Notes or any Guarantees, including without limitation, any Indebtedness incurred under the Credit Agreement, shall be third party beneficiaries to this intercompany note and shall have the right to enforce this intercompany note against the Company or any of its Subsidiaries.

Section 3.04 Headings. Article and Section headings in this intercompany note are included for convenience of reference only and shall not constitute a part of this intercompany note for any other purpose.

Section 3.05 Entire Agreement. This intercompany note sets forth the entire agreement of the parties with respect to its subject matter and supersedes all previous understandings, written or oral, in respect thereof.

Section 3.06 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF).

Section 3.07 Waivers. The Maker hereby waives presentment, demand for payment, notice of protest and all other demands and notices in connection with the delivery, acceptance, performance or enforcement hereof.

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By:

-----  
Name:  
Title:

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BORROWINGS, MATURITIES, AND PAYMENTS OF PRINCIPAL

Date	Amount of Borrowing/ Principal	Maturity of Borrowing/ Principal	Amount Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By
-----	-----	-----	-----	-----	-----