# AON PLC

# FORM 10-K
(Annual Report)

Filed 03/15/02 for the Period Ending 12/31/01

| | |
|---|---|
| Telephone | (44) 20 7623 5500 |
| CIK | 0000315293 |
| Symbol | AON |
| SIC Code | 6411 - Insurance Agents, Brokers, and Service |
| Industry | Insurance (Miscellaneous) |
| Sector | Financial |
| Fiscal Year | 12/31 |

# AON CORP

## FORM 10-K
(Annual Report)

## Filed 3/15/2002 For Period Ending 12/31/2001

| | |
|---|---|
| Address | 200 EAST RANDOLPH STREET |
| | CHICAGO, Illinois 60601 |
| Telephone | 312-381-1000 |
| CIK | 0000315293 |
| Industry | Insurance (Miscellaneous) |
| Sector | Financial |
| Fiscal Year | 12/31 |

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-K

(Mark One)

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**
For the fiscal year ended December 31, 2001

OR

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**
*Commission File Number: 1-7933*

# Aon Corporation

(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

| | |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | 36-3051915 (I.R.S. Employer Identification No.) |
| 200 E. RANDOLPH STREET, CHICAGO, ILLINOIS (Address of Principal Executive Offices) | 60601 (Zip Code) |
| (312) 381-1000 (Telephone Number) | |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, $1 par value | New York Stock Exchange |
| 7.40% Notes Due 2002 | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: NONE**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements, incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock held by non-affiliates of the Registrant as of February 25, 2002 was $8,384,338,140.

Number of shares of $1.00 par value Common Stock outstanding as of February 25, 2002 was 271,430,890.

DOCUMENTS FROM WHICH INFORMATION IS INCORPORATED BY REFERENCE:
Annual Report to Stockholders of the Registrant for the Year 2001 (Parts I, II and IV)

Notice of Annual Meeting of Holders of Common Stock and Series C Preferred Stock and Proxy Statement for Annual Meeting of Stockholders of the Registrant on April 19, 2002 (Part III)

## PART I

### ITEM 1. BUSINESS.

The Registrant is a holding company whose operating subsidiaries carry on business in three distinct operating segments: (i) insurance brokerage and other services, (ii) consulting, and (iii) insurance underwriting. Incorporated in 1979, it is the parent corporation of long-established and more recently formed companies.

The Registrant acquired in 2001, among other companies and businesses, ASI Solutions Incorporated (ASI), a worldwide provider of human resources administration and compensation consulting services, and First Extended, Inc., an underwriter and administrator of automobile extended warranty products.

The Insurance Brokerage and Other Services segment consists principally of Aon's retail, reinsurance and wholesale brokerage, as well as related insurance services, including claims services, underwriting management, captive insurance company management services and premium financing. These services are provided by subsidiaries of Aon Group, Inc., and certain other indirect subsidiaries of the Registrant (the "Aon Group") including Aon Risk Services Companies, Inc.; Aon Holdings International bv; Aon Services Group, Inc.; Aon Re Worldwide, Inc.; Aon Limited (U.K.); Cananwill, Inc.; and Premier Auto Finance, Inc.

The Consulting segment provides a full range of human capital management services utilizing five practices: employee benefits, compensation, management consulting, outsourcing and communications. These services are provided primarily by subsidiaries and affiliates of Aon Consulting Worldwide, Inc. which is also a subsidiary of Aon Group.

Aon's Insurance Underwriting segment is comprised of supplemental accident and health and life insurance, and extended warranty and casualty insurance products and services. Combined Insurance Company of America("Combined Insurance") engages in the marketing and underwriting of accident and health and life insurance products. Combined Specialty Insurance Company (formerly known as Virginia Surety Company, Inc.)and London General Insurance Company Limited offer extended warranty and casualty insurance products and services.

In November 2000, the Registrant announced a business transformation plan, which began in fourth quarter 2000 and will continue into 2002. The transformation plan will affect each operating segment; however, most changes will affect the largest operating segment, Insurance Brokerage and Other Services, and will occur in the major countries of operation, the U.S. and the United Kingdom.

In April 2001, the Registrant announced a plan to spin off its insurance underwriting business to Aon's common stockholders, creating two independent, publicly-traded companies. The spin-off companies will be named Combined Specialty Corporation. The transaction requires final Board of Directors approval, a favorable Internal Revenue Service tax ruling and certain insurance regulatory approvals and is currently expected to be completed in spring 2002.

The Registrant hereby incorporates by reference "Business Transformation Plan" on page 43 of the Annual Report to Stockholders of the Registrant for the Year 2001 ("Annual Report"), as well as pages 6 through 15, 23 through 27, and pages 58, 59 and 63 of the Annual Report.

### COMPETITION AND INDUSTRY POSITION

(1) INSURANCE BROKERAGE AND OTHER SERVICES

Aon Group, Inc.; Aon Risk Services Companies, Inc.; Aon Limited (U.K.); Aon Holdings International bv; Aon Services Group, Inc.; Aon Re Worldwide, Inc.; Cananwill, Inc.; and Premier Auto Finance, Inc.

Aon Group affiliated companies conduct the Registrant's brokerage and consulting operations, and have 550 offices around the world in over 125 countries and sovereignties. In 2001, those companies employed nearly 43,000 professionals and support personnel to serve the diverse needs of clients.

Aon Group's retail brokerage companies operate in a highly competitive industry and compete with a large number of retail insurance brokerage and agency firms as well as individual brokers and agents and direct writers of insurance coverage. Aon Group's companies provide a broad spectrum of advisory and outsourcing services

including risk identification and assessment, alternative risk financing, safety engineering, loss management and program administration for clients. They also design, place and implement customized insurance products. They have also developed certain specialist areas such as marine, aviation, directors' and officers' and professional liability, financial institutions, construction, energy, media, healthcare and entertainment. In 2001, investments were made in professional talent, technology, process improvement and the development of specialized products and services to meet the evolving needs of clients. Those companies operate through offices located in North America, Europe, Latin America, Africa, Australia and Asia/Pacific.

Aon Group's companies address the highly specialized product development, consulting and administrative risk management needs of professional groups, service businesses, governments, healthcare providers and commercial organizations. They also provide underwriting management skills, claims and risk management expertise, and third-party administration services to insurance companies, and insurance brokerage services for individuals. They market and broker both the primary and reinsurance risks of these programs. For individuals, associations and businesses, affinity products for professional liability, life, disability income and personal lines are provided.

Aon's reinsurance brokerage activities are organized primarily under Aon Re in the United States and Aon Limited in the United Kingdom, constituting the largest reinsurance broker in the world and offering sophisticated advisory services in program design that enhance the risk/return characteristics of insurance policy portfolios and improve capital utilization, along with the evaluation of catastrophic loss exposures. The companies also participate in placement and captive management services.

Premium-related financing services are available to clients of Aon Group and other independent organizations through Cananwill. Certain retail automotive organizations have also been provided a service which purchases a select amount of their auto financing and leasing contracts from individuals and sells them to unaffiliated parties through companies associated with Premier Auto Finance, Inc., which then continue the management of collections on the contracts and provide other related services. After March 2001, contract purchasing by companies associated with Premier Auto Finance, Inc. were no longer generally available, but service continued on existing contracts with current clients.

(2) CONSULTING

**Aon Consulting Worldwide, Inc.**

Aon Consulting Worldwide, Inc. is one of the world's largest integrated human capital consulting organizations. The operations of this segment provide a full range of human capital management services that serve three major client segments - large corporations, middle market companies and small firms.

Around the world, companies have to find advanced ways to attract and retain workers with the right skill levels and commitments, and we anticipate an increased demand for consulting services. Aon Consulting, with its expertise in employee benefits, compensation, management consulting, outsourcing and communication, and its access to the Registrant's other subsidiaries, is well-positioned to serve this market. Aon Consulting subsidiaries offer services to clients including construction and implementation of benefit packages, proprietary research on employee commitment and loyalty; compensation design; assistance in process improvement and design, leadership, organization and human capital development; employment processing, performance improvement, benefits administration and other employment services; and advice to companies on initiatives to support their corporate vision. The 2001 acquisition of ASI and the 2000 acquisition of Actuarial Sciences Associates, Inc. expanded Aon's ability to provide outsourcing services to a broad spectrum of large corporate clients.

(3) INSURANCE UNDERWRITING

Combined Insurance Company of America ("Combined Insurance"); Combined Life Insurance Company of New York ("CLICNY"); Combined Specialty Insurance Company (CSIC); London General Insurance Company Limited ("London General"); and Aon Warranty Group, Inc. ("Aon Warranty").

The Registrant's insurance underwriting subsidiaries are part of a highly competitive industry that serves individual consumers in North America, Europe, Latin America and Asia/Pacific by providing accident and health coverage, traditional life insurance and extended warranty and casualty insurance products and services through distribution networks, most of which are directly owned by the Registrant's subsidiaries.

The supplemental accident and health and life distribution network encompasses primarily the agents of Combined Insurance and CLICNY (which operates exclusively in the State of New York). Combined Insurance, the Registrant's principal accident and health and life insurer, has a sales force of 7,000 career agents calling on individuals to sell a broad spectrum of low premium, low limit accident and health products. In addition, Combined Insurance has developed relationships with select brokers and consultants to reach specific niche markets. Combined Insurance offers a wide range of accident, sickness, short-term disability and other supplemental insurance products. Most of Combined Insurance's products are primarily fixed-indemnity obligations, thereby not subject to escalating medical costs. Combined Insurance offers a simplified accident and sickness long-term disability policy. Combined Insurance has expanded its product distribution to include direct response programs, affinity groups and worksite marketing, creating access to new markets and potential new policyholders. Combined Insurance's business is conducted in the United States, Canada, Latin America, Europe and Asia/Pacific.

The Registrant's extended warranty and casualty insurance business, conducted by CSIC, its branches and subsidiaries in North America, South America and Asia/Pacific and London General in Europe, provides warranties on automobiles and a variety of consumer goods, including electronics and appliances. In addition, these subsidiaries provide non-structural home warranties and other warranty products, such as credit card enhancements and affinity warranty programs. CSIC and London General are among the world's largest underwriters of consumer extended warranties. The extended warranty products are sold in the United States, Canada, Latin America, Europe and Asia/Pacific. The administration of certain warranty services on automobiles, electronic goods, personal computers and appliances is handled by certain operations in the Insurance Brokerage and Other Services segment. Revenues earned from this area will be reflected as revenues in CSC after the planned spin-off. A new initiative was recently launched to begin actively writing commercial property and casualty risks, consisting primarily of excess and surplus lines, errors and omissions, excess liability and workers' compensation.

In 2001, the Registrant's underwriting business invested $227 million to obtain an ownership interest in Endurance Specialty Insurance, Ltd., which offers property and casualty insurance and reinsurance on a worldwide basis. The investment will help provide much needed underwriting capacity to commercial firms and insurance and reinsurance customers and will allow the underwriting business to participate in the growth expected in these areas.

(4) DISCONTINUED OPERATIONS

The Registrant hereby incorporates by reference note 6 of the Notes to Consolidated Financial Statements on page 44 of the Annual Report.

**LICENSING AND REGULATION**

Regulatory authorities in the states or countries in which the operating subsidiaries of Aon Group conduct business may require individual or company licensing to act as brokers, agents, third party administrators, managing general agents, reinsurance intermediaries or adjusters. Under the laws of most states in the United States and in most foreign countries, regulatory authorities have relatively broad discretion with respect to granting, renewing and revoking brokers' and agents' licenses to transact business in the state or country. The manner of operating in particular states and countries may vary according to the licensing requirements of the particular state or country, which may require, among other things, that a firm operate in the state or country through a local corporation. In a few states and countries, licenses are issued only to individual residents or locally-owned business entities. In such cases, Aon Group subsidiaries have arrangements with residents or business entities licensed to act in the state or country.

Insurance companies must comply with laws and regulations of the jurisdictions in which they do business. These laws and regulations are designed to ensure financial solvency of insurance companies and to require fair and adequate service and treatment for policyholders. They are enforced by the states in the United States, by industry self-regulating agencies in the United Kingdom, and by various regulatory agencies in other countries through the granting and revoking of licenses to do business, licensing of agents, monitoring of trade practices, policy form approval, minimum loss ratio requirements, limits on premium and commission rates, and minimum reserve and capital requirements. Compliance is monitored by the state insurance departments through periodic regulatory reporting procedures and periodic examinations. The quarterly and annual financial reports to the regulators in the United States utilize statutory accounting principles which are different from accounting principles generally accepted in the United States which are used in stockholders' reports. The statutory accounting principles, in

keeping with the intent to assure the protection of policyholders are based, in general, on a liquidation concept while accounting principles generally accepted in the United States are based on a going-concern concept.

The state insurance regulators are members of the National Association of Insurance Commissioners ("NAIC"). The NAIC seeks to promote uniformity of, and to enhance the state regulation of, insurance. Both the NAIC and the individual states continue to focus on the solvency of insurance companies and their conduct in the market place. This focus is reflected in additional regulatory oversight by the states and emphasis on the enactment or adoption of a series of NAIC model laws and regulations designed to promote solvency. The NAIC revised its Accounting Practices and Procedures Manual in a process referred to as Codification. The revised manual was effective January 1, 2001. The domiciliary states of Aon's major insurance subsidiaries have adopted the provisions of the revised manual. The revised manual has changed, to some extent, prescribed statutory accounting practices and resulted in changes to the accounting practices that Aon's major insurance subsidiaries use to prepare their statutory-basis financial statements. The impact of these changes to Aon's major insurance subsidiaries was to increase the statutory capital and surplus by $54 million as of January 1, 2001.

Several years ago, the NAIC developed a formula for analyzing insurers called risk-based capital ("RBC"). RBC is intended to establish "minimum" capital threshold levels that vary with the size and mix of a company's business. It is designed to identify companies with the capital levels that may require regulatory attention. RBC does not have any significant impact on the insurance business of the Registrant.

The state insurance holding company laws require prior notice to and approval of the domestic state insurance department of intracorporate transfers of assets within the holding company structure, including the payment of dividends by insurance company subsidiaries. In addition, the premium finance loans by Cananwill, Inc., an indirect wholly-owned subsidiary of the Registrant, are subject to one or more of truth-in-lending and credit regulations, insurance premium finance acts, retail installment sales acts and other similar consumer protection legislation. Failure to comply with such laws or regulations can result in the temporary suspension or permanent loss of the right to engage in business in a particular jurisdiction as well as other penalties.

Recent federal and state laws and proposals mandating specific practices by medical insurers and the health care industry will not, because of the nature of the business of the Registrant's subsidiaries, materially affect the Registrant. Numerous states have had legislation introduced to reform the health care system and such legislation has passed in several states. While it is impossible to forecast the precise nature of future federal and state health care changes, the Registrant does not expect a major impact on its operations because of the supplemental nature of most of the policies issued by its insurance subsidiaries and because the coverages are primarily purchased to provide, on a fixed-indemnity basis, protection against loss-of-time or disability benefits. Congress has passed the Financial Services Modernization Act commonly known as S 900 or the Gramm, Leach, Bliley Act. While S 900 makes substantial changes in allowing financial organizations to diversify, the Registrant does not believe its enactment will have a material effect on the business of its insurance subsidiaries.

**CLIENTELE**

No significant part of the Registrant's or its subsidiaries' business is dependent upon a single client or on a few clients, the loss of any one of which would have a material adverse effect on the Registrant.

**EMPLOYEES**

The Registrant's subsidiaries had approximately 53,000 employees at the end of 2001 of whom approximately 46,000 are salaried and hourly employees and the remaining 7,000 are career agents who are generally compensated wholly or primarily by commission.

**ITEM 2. PROPERTIES.**

The Registrant's subsidiaries own and occupy office buildings in six states and certain foreign countries, and lease office space elsewhere in the United States and in various foreign cities. In general, no difficulty is anticipated in negotiating renewals as leases expire or in finding other satisfactory space if the premises become unavailable.

**ITEM 3. LEGAL PROCEEDINGS.**

The Registrant hereby incorporates by reference note 15 of the Notes to Consolidated Financial Statements on page 57 of the Annual Report.

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

None.

**EXECUTIVE OFFICERS OF THE REGISTRANT**

Executive officers of the Registrant are regularly elected by its Board of Directors at the annual meeting of the Board which is held following each annual meeting of the stockholders of the Registrant. The executive officers of the Registrant were elected to their current positions on April 20, 2001 to serve until the meeting of the Board following the annual meeting of stockholders on April 19, 2002. Ages shown are as of December 31, 2001.

For information concerning certain directors and executive officers of the Registrant, see item 10 below. As of March 1, 2002, the following individuals are also executive officers of the Registrant as defined in Rule 16a-1(f):

| NAME, AGE, AND CURRENT OFFICE OR PRINCIPAL POSITION | HAS CONTINUOUSLY SERVED AS AN OFFICER OF REGISTRANT OR ONE OR MORE OF ITS SUBSIDIARIES SINCE | BUSINESS EXPERIENCE PAST 5 YEARS |
|---|---|---|
| Harvey N. Medvin, 65<br>Executive Vice President and<br>Chief Financial Officer | 1972 | Mr. Medvin became Vice President and Chief Financial Officer of the Registrant in 1982 and was elected to his current position in 1987. He also serves as a Director or Officer of certain of the Registrant's subsidiaries. |
| Michael A. Conway, 54<br>Senior Vice President and<br>Senior Investment Officer | 1990 | Mr. Conway was Vice President of Combined Insurance from 1980 to 1984. Following other employment, Mr. Conway rejoined the Registrant in 1990 as Senior Vice President of Combined Insurance and was elected to his current position in 1991. He also serves as Director or Officer of certain of the Registrant's subsidiaries. |

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS.

The Registrant's $1.00 par value common shares ("Common Shares") are traded on the New York stock exchange. The Registrant hereby incorporates by reference the "Dividends paid per share" and "Price range" data on page 61 of the Annual Report.

The Registrant had approximately 11,912 holders of record of its Common Shares as of February 25, 2002.

The Registrant hereby incorporates by reference note 11 of the Notes to Consolidated Financial Statements on pages 48 and 49 of the Annual Report.

### ITEM 6. SELECTED FINANCIAL DATA.

The Registrant hereby incorporates by reference the "Selected Financial Data" table on page 61 of the Annual Report.

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The Registrant hereby incorporates by reference "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 18 through 31 and "Information Concerning Forward-Looking Statements" on the inside back cover of the Annual Report.

### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Registrant hereby incorporates by reference "Market Risk Exposure" on page 31 of the Annual Report.

### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Registrant hereby incorporates by reference the following statements, notes and data from the Annual Report.


| | Page(s) |
|---|---|
| Consolidated Financial Statements | 32 - 36 |
| Notes to Consolidated Financial Statements | 37 - 59 |
| Report of Ernst & Young LLP, Independent Auditors | 60 |
| Quarterly Financial Data | 62 |


### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not Applicable.

## PART III

### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The Registrant hereby incorporates by reference the information on pages 3, 6 and 7 of the Proxy Statement For The Annual Meeting of the Stockholders on April 19, 2002, of the Registrant ("Proxy Statement") concerning the following Directors of the Registrant, each of whom also serves as an executive officer of the Registrant as defined in Rule 16a-1(f): Patrick G. Ryan, Michael D. O'Halleran and Raymond I. Skilling. Information concerning additional executive officers of the Registrant is contained in Part I hereof, pursuant to General Instruction G(3) and Instruction 3 to Item 401(b) of Regulation S-K. The Registrant also hereby incorporates by reference the information on pages 10 and 11 of the Proxy Statement.

### ITEM 11. EXECUTIVE COMPENSATION.

The Registrant hereby incorporates by reference the information under the headings "Executive Compensation," "Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values," "Option Grants in 2001 Fiscal Year" and "Pension Plan Table" on pages 14 through 17 of the Proxy Statement.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The Registrant hereby incorporates by reference the share ownership data contained on pages 2, 8 and 9 of the Proxy Statement.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The Registrant hereby incorporates by reference the information under the heading "Transactions With Management" on pages 21 and 22 of the Proxy Statement.

## PART IV

### ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(A) (1) AND (2). The Registrant has incorporated by reference from the Annual Report (see Item 8) the following consolidated financial statements of the Registrant and subsidiaries:

| | Annual Report Page(s) |
|---|---|
| Consolidated Statements of Financial Position - As of December 31, 2001 and 2000 | 32 - 33 |
| Consolidated Statements of Income - Years Ended December 31, 2001, 2000 and 1999 | 34 |
| Consolidated Statements of Cash Flows - Years Ended December 31, 2001, 2000 and 1999 | 35 |
| Consolidated Statements of Stockholders' Equity - Years Ended December 31, 2001, 2000 and 1999 | 36 |
| Notes to Consolidated Financial Statements | 37 - 59 |
| Report of Ernst & Young LLP, Independent Auditors | 60 |
| Quarterly Financial Data | 62 |

Financial statement schedules of the Registrant and consolidated subsidiaries not included in the Annual Report but filed herewith:
Consolidated Financial Statement Schedules -

| | Schedule |
|---|---|
| Condensed Financial Information of Registrant | I |
| Valuation and Qualifying Accounts | II |

All other schedules for Aon Corporation and Subsidiaries have been omitted because the required information is not present in amounts sufficient to require submission of the schedules or because the information required is included in the respective financial statements or notes thereto.

The following supplementary schedules have been provided for Aon Corporation and Subsidiaries as they relate to the insurance underwriting operations:

| | Schedule |
|---|---|
| Summary of Investments Other than Investments in Related Parties | II.1 |
| Reinsurance | II.2 |
| Supplementary Insurance Information | II.3 |

(A)(3). EXHIBITS

(a) Second Restated Certificate of Incorporation of the Registrant
- incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1991 (the "1991 Form 10-K").

(b) Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation - incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 (the "First Quarter 1994 Form 10Q").

(c) Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation - incorporated by reference to Exhibit 3 to the Registrant's current Form 8-K, dated May 9, 2000.

(d) Amended Bylaws of the Registrant - incorporated by reference to Exhibit 3(d) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2000 (the "2000 Form 10-K").

(e) Indenture dated September 15, 1992 between the Registrant and Continental Bank Corporation (now known as Bank of America Illinois), as Trustee - incorporated by reference to Exhibit 4(a) to the Registrant's Current Report on Form 8-K dated September 23, 1992.

(f) Resolutions establishing terms of 7.40% Notes Due 2002 - incorporated by reference to Exhibits 4(d) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1992 (the "1992 Form 10-K").

(g) Resolutions establishing the terms of 6.70% Notes Due 2003 and 6.30% Notes Due 2004 incorporated by reference to Exhibits 4(c) and 4 (d) of the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1993 (the "1993 Form 10-K").

(h) Resolutions establishing the terms of the 6.90% Notes Due 2004, incorporated by reference to Exhibit 4(e) of the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K").

(i) Resolutions establishing the terms of the 8.65% Notes due 2005, incorporated by reference to Exhibit 4(f) of the 2000 Form 10-K.

(j) Junior Subordinated Indenture dated as of January 13, 1997 between the Registrant and The Bank of New York, as trustee - incorporated by reference to Exhibit 4.1 of the Registrant's Amendment No. 1 to Registration Statement on Form S-4 No. 333-21237 dated March 27, 1997 (the "Capital Securities Registration").

(k) First Supplemental Indenture dated as of January 13, 1997 between the Registrant and the Bank of New York, as trustee - incorporated by reference to Exhibit 4.2 of the Capital Securities Registration.

(l) Certificate of Trust of Aon Capital A - incorporated by reference to Exhibit 4.3 of the Capital Securities Registration.

(m) Amended and Restated Trust Agreement of Aon Capital A dated as of January 13, 1997 among the Registrant, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, the Administrative Trustees named therein and the holders, from time to time, of the Capital Securities - incorporated by reference to Exhibit 4.5 of the Capital Securities Registration.

(n) Capital Securities Guarantee Agreement dated as of January 13, 1997 between the Registrant and the Bank of New York, as guarantee trustee - incorporated by reference to Exhibit 4.8 of the Capital Securities Registration.

(o) Capital Securities Exchange and Registration Rights Agreement dated as of January 13, 1997 among the Registrant, Aon Capital A and Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. - incorporated by reference to Exhibit 4.10 of the Capital Securities Registration.

(p) Debenture Exchange and Registration Rights Agreement dated as of January 13, 1997 among the Registrant, Aon Capital A and Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. - incorporated by reference to Exhibit 4.11 of the Capital Securities Registration.

(q) Guarantee Exchange and Registration Rights Agreement dated as of January 13, 1997 among the Registrant, Aon Capital A and Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. - incorporated by reference to Exhibit 4.12 of the Capital Securities Registration.

(r) Certificate of Designation for the Registrant's Series C Cumulative Preferred Stock - incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated February 9, 1994.

(s) Registration Rights Agreement dated November 2, 1992 by and between the Registrant and Frank B. Hall & Co., Inc. - incorporated by reference to Exhibit 4(c) to the Third Quarter 1992 Form 10-Q.

(t) Registration rights agreement by and among the Registrant and certain affiliates of Ryan Insurance Group, Inc. (including Patrick G. Ryan and Andrew J. McKenna) - incorporated by reference to Exhibit (f) to the 1982 Form 10-K.

(u) Aon Corporation Outside Director Deferred Compensation Agreement by and among the Registrant and Registrant's directors who are not salaried employees of Registrant or Registrant's affiliates.

(v) Amendment and Waiver Agreement dated as of November 4, 1991 among the Registrant and each of Patrick G. Ryan, Shirley Ryan, Ryan Enterprises Corporation and Harvey N. Medvin - incorporated by reference to Exhibit 10(j) to the 1991 Form 10-K.

(w) Statement regarding Computation of Ratio of Earnings to Fixed Charges.

(x) Statement regarding Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.

(y) Aon Corporation 1994 Amended and Restated Outside Director Stock Award Plan - incorporated by reference to Exhibit 10(b) to the First Quarter 1994 Form 10-Q.

(z) Annual Report to Stockholders of the Registrant for the year ended December 31, 2001 (for information, and not to be deemed filed, except for those portions specifically incorporated by reference herein).

(aa) List of Subsidiaries of the Registrant.

(ab) Consent of Ernst & Young LLP to the incorporation by reference into Aon's Annual Report on Form 10-K of its report included in the 2001 Annual Report to Stockholders and into Aon's Registration Statement Nos. 33-27984, 33-42575, 33-59037, 333-21237, 333-50607, 333-55773, 333-78723, 333-49300, 333-57706, 333-65624 and 333-74364.

(ac) Annual Report to the Securities and Exchange Commission on Form 11-K for the Aon Savings Plan for the year ended December 31, 2001 - to be filed by amendment as provided in Rule 15d- 21(b).

(ad) Executive Compensation Plans and Arrangements:

(A) Aon Stock Award Plan (as amended and restated through February 2000) - incorporated by reference to Exhibit 10 (a) to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the Quarter ended June 30, 2000 (the "Second Quarter 2000 Form 10-Q").

(B) Aon Stock Option Plan (as amended and restated through 1997) - incorporated by reference to Exhibit 10(a) to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the quarter ended March 31, 1997 (the "First Quarter 1997 Form 10-Q").

(C) First Amendment to the Aon Stock Option Plan as amended and restated through 1997 - incorporated by reference to Exhibit 10(a) to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the Quarter ended March 31, 1999 (the "First Quarter 1999 Form 10-Q").

(D) Aon Stock Award Plan (as amended and restated through 1997) - incorporated by reference to Exhibit 10(b) to the First Quarter 1997 Form 10-Q.

(E) First Amendment to the Aon Stock Award Plan as Amended and Restated Through 1997 - incorporated by reference to Exhibit 10(b) to the First Quarter 1999 Form 10-Q.

(F) Aon Corporation 1995 Senior Officer Incentive Compensation Plan incorporated by reference to Exhibit 10(p) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1995 (the "1995 Form 10-K").

(G) Aon Deferred Compensation Plan and First Amendment to the Aon Deferred Compensation Plan - incorporated by reference to Exhibit 10 (q) of the 1995 Form 10-K.

(H) 1999 Aon Deferred Compensation Plan incorporated by reference to Exhibit 10(1) of the 1999 Form 10-K.

(I) Employment Agreement dated June 1, 1993 by and among the Registrant, Aon Risk Services, Inc. and Michael D. O'Halleran, incorporated by reference to Exhibit 10(p) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1998.

(J) Aon Severance Plan - incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report to the Securities and Exchange Commission and Form 10-Q for the quarter ended June 30, 1997.

(ae) Asset Purchase Agreement dated July 24, 1992 between the Registrant and Frank B. Hall & Co. Inc. - incorporated by reference to Exhibit 10(c) to the Registrant's Quarterly Report on Form 10- Q for the period ended June 30, 1992.

(af) Stock Purchase Agreement by and among the Registrant, Combined Insurance Company of America, Union Fidelity Life Insurance Company and General Electric Capital Corporation dated as of November 11, 1995 - incorporated by reference to Exhibit 10(s) of the 1995 Form 10-K.

(ag) Stock Purchase Agreement by and among the Registrant; Combined Insurance Company of America; The Life Insurance Company of Virginia; Forth Financial Resources, Ltd.; Newco Properties, Inc.; and General Electric Capital Corporation dated as of December 22, 1995 - incorporated by reference to Exhibit 10(t) of the 1995 Form 10-K.

(ah) Agreement and Plan of Merger among the Registrant; Subsidiary Corporation, Inc. ("Purchaser"); and Alexander & Alexander Services Inc. ("A&A") dated as of December 11, 1996 - incorporated by reference to Exhibit (c)(1) of the Registrant's Tender Offer Statement on Schedule 14D-1 filed by the Registrant with the Securities and Exchange Commission ("SEC") on December 16, 1996 (the "Schedule 14D-1").

(ai) First Amendment to Agreement and Plan of Merger, dated as of January 7, 1997, among the Registrant, Purchaser and A&A - incorporated by reference to Exhibit (c)(3) to the Schedule 14D-1 filed by the Registrant with the SEC on January 9, 1997.

(aj) Agreement and Plan of Merger dated July 16, 2001 among Aon Corporation, Ryan Holding Corporation of Illinois, Ryan Enterprises Corporation of Illinois, Holdco #1, Inc., Holdco #2, Inc., Patrick G. Ryan, Shirley W. Ryan and the stockholders of Ryan Holding Corporation of Illinois and of Ryan Enterprises Corporation of Illinois set forth on the signature pages thereto - incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the Quarter ended June 30, 2001 (the "Second Quarter 2001 Form 10-Q").

(ak) Stock Restriction Agreement dated July 16, 2001 among Aon Corporation, Patrick G. Ryan, Shirley W. Ryan, Patrick G. Ryan Jr., Robert J.W. Ryan, the Corbett M.W. Ryan Living Trust dated July 13, 2001, the Patrick G. Ryan Living Trust dated July 10, 2001, the Shirley W. Ryan Living Trust dated July 10, 2001, the 2001 Ryan Annuity Trust dated April 20, 2001 and the Family GST Trust under the PGR 2000 Trust dated November 22, 2000 - incorporated by reference to Exhibit 10.2 to the Second Quarter 2001 Form 10-Q.

(al) Escrow Agreement dated July 16, 2001 among Aon Corporation, Patrick G. Ryan, Shirley W. Ryan, Patrick G. Ryan, Jr., Robert J.W. Ryan, the Corbett M. W. Ryan Living Trust dated July 13, 2001, the Patrick G. Ryan Living Trust dated July 10, 2001, the Shirley W. Ryan Living Trust dated July 10, 2001, the 2001 Ryan Annuity Trust dated April 20, 2001 and the Family GST Trust under the PGR 2000 Trust dated November 22, 2000 and American National Bank and Trust Company of Chicago, as escrow agent - incorporated by reference to Exhibit 10.3 to the Second Quarter 2001 Form 10-Q.

(am) Indenture dated December 13, 2001, between the Registrant and the Bank of New York as Trustee (Floating Rate Notes due 2003).

(an) Indenture dated December 13, 2001, between the Registrant and the Bank of New York as Trustee (6.2% Notes due 2007).

(ao) Indenture dated December 31, 2001 between Private Equity Partnerships Structure I, LLC, as issuer and the Bank of New York as Trustee, Custodian, Calculation Agent, Note Registrar, Transfer Agent and Paying Agent.

(B) REPORTS ON FORM 8-K.

During the quarter ended December 31, 2001, the Registrant filed three Current Reports on Form 8-K.

(i) A Current Report on Form 8-K dated November 8, 2001 reporting its third quarter 2001 results and updating the status of its business transformation plan, the impact of September 11, 2001 attacks and spin-off plans.

(ii) A Current Report on Form 8-K dated December 3, 2001 reporting pro-forma financial statements relating to previously announced plans to spin-off its insurance underwriting operations.

(iii) A Current Report on Form 8-K dated December 4, 2001 announcing that the Company had filed a $750 million universal shelf registration with the Securities and Exchange Commission.

**SIGNATURES**

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, ON THE 15TH DAY OF MARCH, 2002.

**Aon Corporation**

*By: /s/ PATRICK G. RYAN*
*Patrick G. Ryan, Chairman*
*and Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ PATRICK G. RYAN<br>Patrick G. Ryan | Chairman, Chief Executive Officer and Director (Principal Executive Officer) | March 15, 2002 |
| /s/ FRANKLIN A. COLE<br>Franklin A. Cole | Director | March 15, 2002 |
| /s/ EDGAR D. JANNOTTA<br>Edgar D. Jannotta | Director | March 15, 2002 |
| /s/ LESTER B. KNIGHT<br>Lester B. Knight | Director | March 15, 2002 |
| /s/ PERRY J. LEWIS<br>Perry J. Lewis | Director | March 15, 2002 |
| /s/ ANDREW J. McKENNA<br>Andrew J. McKenna | Director | March 15, 2002 |
| /s/ ROBERT S. MORRISON<br>Robert S. Morrison | Director | March 15, 2002 |
| /s/ RICHARD C. NOTEBAERT<br>Richard C. Notebaert | Director | March 15, 2002 |
| /s/ MICHAEL D. O'HALLERAN<br>Michael D. O'Halleran | Director | March 15, 2002 |

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ DONALD S. PERKINS<br>Donald S. Perkins | Director | March 15, 2002 |
| /s/ JOHN W. ROGERS, JR.<br>John W. Rogers, Jr. | Director | March 15, 2002 |
| /s/ GEORGE A. SCHAEFER<br>George A. Schaefer | Director | March 15, 2002 |
| /s/ RAYMOND I. SKILLING<br>Raymond I. Skilling | Director | March 15, 2002 |
| /s/ FRED L. TURNER<br>Fred L. Turner | Director | March 15, 2002 |
| /s/ ARNOLD R. WEBER<br>Arnold R. Weber | Director | March 15, 2002 |
| /s/ CAROLYN Y. WOO<br>Carolyn Y. Woo | Director | March 15, 2002 |
| /s/ HARVEY N. MEDVIN<br>Harvey N. Medvin | Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) | March 15, 2002 |

SCHEDULE I

Aon Corporation
(PARENT COMPANY)
CONDENSED STATEMENTS OF FINANCIAL POSITION

| (millions) | AS OF DECEMBER 31 2001 | 2000 |
|---|---|---|
| ASSETS | | |
| Investments in subsidiaries | $ 6,608 | $ 6,127 |
| Other investments | 20 | - |
| Notes receivable - subsidiaries | 58 | 515 |
| Cash and cash equivalents | 4 | 1 |
| Other assets | 39 | 111 |
| TOTAL ASSETS | $ 6,729 | $ 6,754 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Short-term borrowings | $ 254 | $ 853 |
| 6.3% long-term debt securities | 100 | 100 |
| 7.4% long-term debt securities | 100 | 100 |
| 8.65% long-term debt securities | 250 | 250 |
| 6.9% long-term debt securities | 250 | 250 |
| 6.7% long-term debt securities | 150 | 150 |
| 6.2% long-term debt securities | 250 | - |
| Floating rate long-term debt securities | 150 | - |
| Subordinated debt | 800 | 800 |
| Notes payable - subsidiaries | 595 | 571 |
| Notes payable - other | 70 | 70 |
| Accrued expenses and other liabilities | 189 | 172 |
| TOTAL LIABILITIES | 3,158 | 3,316 |
| Redeemable Preferred Stock | 50 | 50 |
| STOCKHOLDERS' EQUITY | | |
| Common stock | 293 | 264 |
| Paid-in additional capital | 1,654 | 706 |
| Accumulated other comprehensive loss | (535) | (377) |
| Retained earnings | 3,077 | 3,127 |
| Less treasury stock at cost | (786) | (118) |
| Less deferred compensation | (182) | (214) |
| TOTAL STOCKHOLDERS' EQUITY | 3,521 | 3,388 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 6,729 | $ 6,754 |

See notes to condensed financial statements.

Aon Corporation
(PARENT COMPANY)
CONDENSED STATEMENTS OF INCOME

| (MILLIONS) | YEARS ENDED DECEMBER 31 2001 | 2000 | 1999 |
|---|---|---|---|
| REVENUE | | | |
| Dividends from subsidiaries | $ 333 | $ 379 | $ 467 |
| Other investment income | 1 | 9 | 20 |
| TOTAL REVENUE | 334 | 388 | 487 |
| EXPENSES | | | |
| Operating and administrative | 14 | 22 | 13 |
| Interest - subsidiaries | 93 | 103 | 96 |
| Interest - other | 107 | 122 | 85 |
| TOTAL EXPENSES | 214 | 247 | 194 |
| INCOME BEFORE INCOME TAXES AND EQUITY (DEFICIT) IN UNDISTRIBUTED INCOME OF SUBSIDIARIES | 120 | 141 | 293 |
| Income tax benefit | 85 | 95 | 70 |
| | 205 | 236 | 363 |
| EQUITY (DEFICIT) IN UNDISTRIBUTED INCOME OF SUBSIDIARIES | (2) | 238 | (11) |
| NET INCOME | $ 203 | $ 474 | $ 352 |

See notes to condensed financial statements

Aon Corporation
(PARENT COMPANY)
CONDENSED STATEMENTS OF CASH FLOWS

| (MILLIONS) | YEARS ENDED DECEMBER 31 2001 | 2000 | 1999 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | $ 170 | $ 137 | $ 287 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Investments in subsidiaries | (24) | (124) | (363) |
| Other investments | (20) | - | - |
| Notes receivables from subsidiaries | 60 | (40) | (208) |
| CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 16 | (164) | (571) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Treasury stock transactions - net | 49 | (59) | (66) |
| Issuance (repayment) of short-term borrowings - net | (599) | 30 | 387 |
| Issuance of notes payable and long-term debt | 608 | 266 | 284 |
| Repayment of long-term debt | - | - | (100) |
| Cash dividends to stockholders | (241) | (226) | (210) |
| CASH PROVIDED (USED) BY FINANCING ACTIVITIES | (183) | 11 | 295 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3 | (16) | 11 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 1 | 17 | 6 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | $ 4 | $ 1 | $ 17 |

See notes to condensed financial statements

**SCHEDULE I**
(CONTINUED)

**Aon Corporation**
(Parent Company)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

(1) See notes to consolidated financial statements incorporated by reference from the 2001 Annual Report.

(2) Generally, the net assets of Aon's insurance subsidiaries available for transfer to the parent company are limited to the amounts that the insurance subsidiaries' statutory net assets exceed minimum statutory capital requirements; however, payments of the amounts as dividends in excess of $101 million may be subject to approval by regulatory authorities.

(3) In 2001, Aon entered into a new committed bank credit facility under which certain European subsidiaries can borrow up to EUR 500 million. At December 31, 2001, loans of EUR 269 million ($239 million) were outstanding under this facility.

An indirect wholly-owned subsidiary of Aon Corporation manages various investment portfolios, totaling $249 million at December 31, 2001, held in a collateral trust for the benefit of certain unaffiliated entities and is obligated to produce specified investment returns for those portfolios. Aon Corporation has unconditionally guaranteed the obligations of this subsidiary.

(4) In 2001, the Condensed Statements of Cash Flows exclude the impact of certain non-cash transfers primarily related to notes receivable from subsidiaries and notes payable to subsidiaries.

(5) During 2001, Aon Corporation (Parent Company) reclassified $520 million of notes receivable - subsidiaries to investments in subsidiaries related to its shared services operations.

SCHEDULE II

AON CORPORATION AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000 and 1999

(millions)

| Description | BALANCE AT beginning of year | ADDITIONS: CHARGED TO COST AND EXPENSES | ADDITIONS: CHARGED/ (CREDITED) TO OTHER ACCOUNTS | DEDUCTIONS (1) | BALANCE AT END OF YEAR |
|---|---|---|---|---|---|
| YEAR ENDED DECEMBER 31, 2001 | | | | | |
| Allowance for doubtful accounts (2) (deducted from insurance brokerage and consulting receivables) | $ 88 | $ 30 | $ (2) | $ (23) | $ 93 |
| Allowance for doubtful accounts (deducted from premiums and other) | 4 | - | - | - | 4 |
| YEAR ENDED DECEMBER 31, 2000 | | | | | |
| Allowance for doubtful accounts (2) (deducted from insurance brokerage and consulting receivables) | $ 88 | $ 19 | $ (2) | $ (17) | $ 88 |
| Allowance for doubtful accounts (deducted from premiums and other) | 6 | - | - | (2) | 4 |
| YEAR ENDED DECEMBER 31, 1999 | | | | | |
| Allowance for doubtful accounts (2) (deducted from insurance brokerage and consulting receivables) | 93 | 12 | (3) | (14) | 88 |
| Allowance for doubtful accounts (deducted from premiums and other) | 6 | 1 | - | (1) | 6 |

(1) Amounts deemed to be uncollectible.
(2) Amounts shown in additions charged/(credited) to other accounts primarily represent reserves related to acquired business and foreign exchange.

AON CORPORATION AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF INVESTMENTS -
OTHER THAN INVESTMENTS IN RELATED PARTIES
AS OF DECEMBER 31, 2001

| (millions) | AMORTIZED COST OR COST | FAIR VALUE | AMOUNT SHOWN IN STATEMENT OF FINANCIAL POSITION |
|---|---|---|---|
| FIXED MATURITIES - AVAILABLE FOR SALE: | | | |
| U.S. government and agencies | $ 355 | $ 361 | $ 361 |
| States and political subdivisions | 3 | 3 | 3 |
| Debt securities of foreign governments not classified as loans | 515 | 521 | 521 |
| Corporate securities | 1,169 | 1,131 | 1,131 |
| Public utilities | 74 | 72 | 72 |
| Mortgage-backed securities | 42 | 42 | 42 |
| Other fixed maturities | 19 | 19 | 19 |
| TOTAL FIXED MATURITIES | 2,177 | 2,149 | 2,149 |
| EQUITY SECURITIES - AVAILABLE FOR SALE: | | | |
| Common stocks: | | | |
| Banks, trusts and insurance companies | 79 | 68 | 68 |
| Industrial, miscellaneous and all other | 60 | 53 | 53 |
| Non-redeemable preferred stocks | 286 | 261 | 261 |
| TOTAL EQUITY SECURITIES | 425 | 382 | 382 |
| Mortgage loans on real estate | 3 * | | 3 * |
| Policy loans | 51 * | | 51 * |
| Other long-term investments | 583 * | | 586 * |
| Short-term investments | 2,975 | | 2,975 |
| TOTAL INVESTMENTS | $ 6,214 | | $ 6,146 |

* These investment categories are combined and are shown as other investments in the Consolidated Statements of Financial Position

AON CORPORATION AND SUBSIDIARIES
REINSURANCE

YEAR ENDED DECEMBER 31, 2001

| (millions) | GROSS AMOUNT | CEDED TO OTHER COMPANIES | ASSUMED FROM OTHER COMPANIES | NET AMOUNT | PERCENTAGE OF AMOUNT ASSUMED TO NET |
|---|---|---|---|---|---|
| LIFE INSURANCE IN FORCE | $ 20,265 | $ 13,660 | $ 11,189 | $ 17,794 | 63% |
| PREMIUMS | | | | | |
| Life Insurance | $ 198 | $ 110 | $ 76 | $ 164 | 46% |
| A&H Insurance | 1,293 | 329 | 222 | 1,186 | 19% |
| Specialty Property & Casualty | 1,061 | 482 | 93 | 672 | 14% |
| TOTAL PREMIUMS | $ 2,552 | $ 921 | $ 391 | $ 2,022 | 19% |

YEAR ENDED DECEMBER 31, 2000

| (millions) | GROSS AMOUNT | CEDED TO OTHER COMPANIES | ASSUMED FROM OTHER COMPANIES | NET AMOUNT | PERCENTAGE OF AMOUNT ASSUMED TO NET |
|---|---|---|---|---|---|
| LIFE INSURANCE IN FORCE | $ 18,803 | $ 9,442 | $ 9,367 | $ 18,728 | 50% |
| PREMIUMS | | | | | |
| Life Insurance | $ 198 | $ 156 | $ 102 | $ 144 | 71% |
| A&H Insurance | 1,209 | 309 | 189 | 1,089 | 17% |
| Specialty Property & Casualty | 965 | 380 | 88 | 673 | 13% |
| TOTAL PREMIUMS | $ 2,372 | $ 845 | $ 379 | $ 1,906 | 20% |

YEAR ENDED DECEMBER 31, 1999

| (millions) | GROSS AMOUNT | CEDED TO OTHER COMPANIES | ASSUMED FROM OTHER COMPANIES | NET AMOUNT | PERCENTAGE OF AMOUNT ASSUMED TO NET |
|---|---|---|---|---|---|
| LIFE INSURANCE IN FORCE | $ 14,444 | $ 10,023 | $ 3,050 | $ 7,471 | 41% |
| PREMIUMS | | | | | |
| Life Insurance | $ 227 | $ 93 | $ 2 | $ 136 | 1% |
| A&H Insurance | 1,167 | 257 | 91 | 1,001 | 9% |
| Specialty Property & Casualty | 860 | 274 | 85 | 671 | 13% |
| TOTAL PREMIUMS | $ 2,254 | $ 624 | $ 178 | $ 1,808 | 10% |

AON CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY INSURANCE INFORMATION

(millions)

| | DEFERRED POLICY ACUISITION COSTS | FUTURE POLICY BENEFITS, LOSSES, CLAIMS AND LOSS EXPENSES | UNEARNED PREMIUMS AND OTHER POLICYHOLDERS' FUNDS(3) | PREMIUM REVENUE | NET INVESTMENT INCOME(1) |
|---|---|---|---|---|---|
| YEAR ENDED DECEMBER 31, 2001 | | | | | |
| Insurance brokerage and other services | $ - | $ - | $ - | $ - | $ 156 |
| Consulting | - | - | - | - | 5 |
| Insurance underwriting | 704 | 1,963 | 3,027 | 2,022 | 223 |
| Corporate and other | - | - | - | - | (171) |
| TOTAL | $ 704 | $ 1,963 | $ 3,027 | $ 2,022 | $ 213 |
| YEAR ENDED DECEMBER 31, 2000 | | | | | |
| Insurance brokerage and other services | $ - | $ - | $ - | $ - | $ 186 |
| Consulting | - | - | - | - | 6 |
| Insurance underwriting | 656 | 1,855 | 3,122 | 1,906 | 245 |
| Corporate and other | - | - | - | - | 71 |
| TOTAL | $ 656 | $ 1,855 | $ 3,122 | $ 1,906 | $ 508 |
| YEAR ENDED DECEMBER 31, 1999 | | | | | |
| Insurance brokerage and other services | $ - | $ - | $ - | $ - | $ 159 |
| Consulting | - | - | - | - | 3 |
| Insurance underwriting | 636 | 1,769 | 3,337 | 1,808 | 251 |
| Corporate and other | - | - | - | - | 164 |
| TOTAL | $ 636 | $ 1,769 | $ 3,337 | $ 1,808 | $ 577 |

(1) The above results reflect allocations of investment income and certain expense elements considered reasonable under the circumstances. Results include income (loss) on disposals of investments.
(2) Net of reinsurance ceded.
(3) 2000 and 1999 were restated to conform with the 2001 presentation.

AON CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY INSURANCE INFORMATION
(Continued)

(millions)

| | COMMISSIONS, FEES AND OTHER | BENEFITS CLAIMS, LOSSES AND SETTLEMENT ENPENSES | AMORTIZATION OF DEFERRED POLICY ACQUISITION COSTS | OTHER OPERATING EXPENSES | PREMIUMS WRITTEN(2) |
|---|---|---|---|---|---|
| YEAR ENDED DECEMBER 31, 2001 | | | | | |
| Insurance brokerage and other services | $ 4,503 | $ - | $ - | $ 4,135 | $ - |
| Consulting | 933 | - | - | 812 | - |
| Insurance underwriting | 5 | 1,111 | 217 | 682 | 1,966 |
| Corporate and other | - | - | - | 320 | - |
| TOTAL | $ 5,441 | $ 1,111 | $ 217 | $ 5,949 | $ 1,966 |
| YEAR ENDED DECEMBER 31, 2000 | | | | | |
| Insurance brokerage and other services | $ 4,181 | $ - | $ - | $ 3,677 | $ - |
| Consulting | 764 | - | - | 664 | - |
| Insurance underwriting | 16 | 1,037 | 215 | 615 | 1,887 |
| Corporate and other | - | - | - | 313 | - |
| TOTAL | $ 4,961 | $ 1,037 | $ 215 | $ 5,269 | $ 1,887 |

YEAR ENDED DECEMBER 31, 1999

| | | | | | |
|---|---|---|---|---|---|
| Insurance brokerage and other services | $ 3,985 | $ - | $ - | $ 3,651 | $ - |
| Consulting | 653 | - | - | 698 | - |
| Insurance underwriting | 47 | 973 | 247 | 596 | 1,787 |
| Corporate and other | - | - | - | 270 | - |
| TOTAL | $ 4,685 | $ 973 | $ 247 | $ 5,215 | $ 1,787 |

(1) The above results reflect allocations of investment income and certain expense elements considered reasonable under the circumstances. Results include income (loss) on disposals of investments.
(2) Net of reinsurance ceded.
(3) 2000 and 1999 were restated to conform with the 2001 presentation.

Cross Reference Sheet, Pursuant to General Instruction G(4)

| ITEM IN FORM 10-K | INCORPORATED BY REFERENCE TO |
|---|---|
| **Part I** | |
| Item 1. Business | Annual Report to Stockholders of the Registrant for the Year 2001 ("Annual Report") pages 6 through 15, 23 through 27, and pages 43, 58, 59 and 63. |
| Item 3. Legal Proceedings | Annual Report page 57 (note 15 of Notes to Consolidated Financial Statements). |
| **Part II** | |
| Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters | Annual Report pages 48 and 49 (note 11 of Notes to Consolidated Financial Statements) and page 61 ("Dividends paid per share" and "Price range"). |
| Item 6. Selected Financial Data | Annual Report page 61. |
| Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations | Annual Report pages 18 through 31. |
| Item 7A. Quantitative and Qualitative Disclosures about Market Risk | Annual Report page 31 ("Market Risk Exposure"). |
| Item 8. Financial Statements, Report by Independent Auditors and Supplementary Data | Annual Report pages 32 through 60 and 62. |
| **Part III** | |
| Item 10. Directors and Executive Officers of the Registrant | Proxy Statement For Annual Meeting of Stockholders on April 19, 2002 of the Registrant ("Proxy Statement") pages 3, 6, 7, 10 and 11. |
| Item 11. Executive Compensation | Proxy Statement pages 14 through 17. |
| Item 12. Security Ownership of Certain Beneficial Owners and Management | Proxy Statement pages 2, 8 and 9. |
| Item 13. Certain Relationships and Related Transaction | Proxy Statement pages 21 and 22 ("Transactions With Management"). |
| **Part IV** | |
| Item 14. Exhibits, Financial Statement Schedules, Reports on Form 8-K and Report by Independent Auditors | Annual Report pages 32 through 60 and 62. |

EXHIBIT INDEX

| Exhibit Number Regulation S-K, Item 601 | Page Number of Sequentially Numbered Copy |
|---|---|

(3) Articles of incorporation and bylaws:

(a) Second Restated Certificate of Incorporation of the Registrant - incorporated by reference to Exhibit 3(a) to the 1991 Form 10-K.

(b) Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation - incorporated by reference to Exhibit 3 to the First Quarter 1994 Form 10-Q.

(c) Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation - incorporated by reference to Exhibit 3 to the Registrant's current Form 8-K, dated May 9, 2000.

(d) Amended Bylaws of the Registrant - incorporated by reference to Exhibit 3(d) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2000 (the "2000 Form 10-K").

(e) Certificate of Designation for the Registrant's Series C Cumulative Preferred Stock - incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated February 9, 1994.

(4) Instruments defining the rights of security holders, including indentures:

(a) Indenture dated September 15, 1992 between the Registrant and Continental Bank Corporation (now known as Bank of America Illinois), as Trustee - incorporated by reference to Exhibit 4(a) of the Registrant's Current Report on Form 8-K dated September 23, 1992.

(b) Resolutions establishing terms of 7.40% Notes Due 2002 - incorporated by reference to Exhibit 4(d) to the 1992 Form 10-K.

(c) Resolutions establishing the terms of 6.70% Notes Due 2003 incorporated by reference to Exhibit 4(c) to the 1993 Form 10-K.

(d) Resolutions establishing the terms of 6.30% Notes Due 2004 incorporated by reference to Exhibit 4(d) to the 1993 Form 10-K.

(e) Resolutions establishing the terms of 6.90% Notes due 2004 incorporated by reference to Exhibit 4(e) to the 1999 Form 10-K.

(f) Resolutions establishing the terms of 8.65% Notes due 2005 - incorporated by reference to Exhibits 4(f) to the 2000 Form 10-K.

(g) Indenture dated December 13, 2001, between the Registrant and the Bank of New York as Trustee (Floating Rate Notes due 2003).

(h) Indenture dated December 13, 2001, between the Registrant and the Bank of New York as Trustee (6.2% Notes due 2007).

EXHIBIT INDEX

| Exhibit Number Regulation S-K, Item 601 | Page Number of Sequentially Numbered Copy |
|---|---|

(i) Indenture dated December 31, 2001 between Private Equity Partnerships Structure I, LLC, as issuer and the Bank of New York as Trustee, Custodian, Calculation Agent, Note Registrar, Transfer Agent and Paying Agent.

(j) Junior Subordinated Indenture dated as of January 13, 1997 between the Registrant and The Bank of New York, as trustee - incorporated by reference to Exhibit 4.1 of the Registrant's Amendment No. 1 to Registration Statement on Form S-4 No. 333-21237 dated March 27, 1997 (the "Capital Securities Registration").

(k) First Supplemental Indenture dated as of January 13, 1997 between the Registrant and the Bank of New York, as trustee - incorporated by reference to Exhibit 4.2 of the Capital Securities Registration.

(l) Certificate of Trust of Aon Capital A - incorporated by reference to Exhibit 4.3 of the Capital Securities Registration.

(m) Amended and Restated Trust Agreement of Aon Capital A dated as of January 13, 1997 among the Registrant, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, the Administrative Trustees named therein and the holders, from time to time, of the Capital Securities - incorporated by reference to Exhibit 4.5 of the Capital Securities Registration.

(n) Capital Securities Guarantee Agreement dated as of January 13, 1997 between the Registrant and the Bank of New York, as guarantee trustee - incorporated by reference to Exhibit 4.8 of the Capital Securities Registration.

(o) Capital Securities Exchange and Registration Rights Agreement dated as of January 13, 1997 among the Registrant, Aon Capital A and Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. - incorporated by reference to Exhibit 4.10 of the Capital Securities Registration.

(p) Debenture Exchange and Registration Rights Agreement dated as of January 13, 1997 among the Registrant, Aon Capital A and Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. - incorporated by reference to Exhibit 4.11 of the Capital Securities Registration.

(q) Guarantee Exchange and Registration Rights Agreement dated as of January 13, 1997 among the Registrant, Aon Capital A and Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. - incorporated by reference to Exhibit 4.12 of the Capital Securities Registration.

EXHIBIT INDEX

| Exhibit Number Regulation S-K, Item 601 | Page Number of Sequentially Numbered Copy |
|---|---|

(10) Material Contracts:

(a) Aon Stock Option Plan (as amended and restated through February 2000) - incorporated by reference to Exhibit 10(a) to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the quarter June 30, 2000 (the "Second Quarter 2000 Form 10-Q").

(b) Aon Stock Option Plan (as amended and restated through 1997) - incorporated by reference to Exhibit 10(a) to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the quarter ended March 31, 1997 (the "First Quarter 1997 Form 10-Q").

(c) First Amendment to the Aon Stock Option Plan as Amended and Restated Through 1997 - incorporated by reference to Exhibit 10(a) to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the quarter ended March 31, 1999 (the "First Quarter 1999 Form 10-Q").

(d) Registration Rights Agreement by and among the Registrant and certain affiliates of Ryan Insurance Group, Inc. (Including Patrick G. Ryan and Andrew J. McKenna) - incorporated by reference to Exhibit (f) to the 1982 Form 10-K.

(e) Aon Corporation Outside Director Deferred Compensation Agreement by and among Registrant and Registrant's directors who are not salaried employees of Registrant or Registrant's affiliates.

(f) Aon Stock Award Plan (as amended and restated through 1997) - incorporated by reference to Exhibit 10(b) to the First Quarter 1997 Form 10-Q.

(g) First Amendment to the Aon Stock Award Plan as Amended and Restated Through 1997 - incorporated by reference to exhibit 10(b) to the First Quarter 1999 Form 10-Q.

(h) Amendment and Waiver Agreement dated as of November 4, 1991 among the Registrant and each of Patrick G. Ryan, Shirley Ryan, Ryan Enterprises Corporation and Harvey N. Medvin - incorporated by reference to Exhibit 10(j) to the 1991 Form 10-K.

(i) Registration Rights Agreement dated November 2, 1992 by and between the Registrant and Frank B. Hall & Co., Inc. - incorporated by reference to Exhibit 4(c) to the Third Quarter 1992 Form 10-Q.

(j) Aon Corporation 1994 Amended and Restated Outside Director Stock Award Plan - incorporated by reference to Exhibit 10(b) to the First Quarter 1994 Form 10-Q.

EXHIBIT INDEX

| Exhibit Number Regulation S-K, Item 601 | Page Number of Sequentially Numbered Copy |
|---|---|

(k) Aon Corporation 1995 Senior Officer Incentive Compensation Plan - incorporated by reference to Exhibit 10(p) to the 1995 Form 10-K.

(l) Aon Deferred Compensation Plan and First Amendment to the Aon Deferred Compensation Plan - incorporated by reference to Exhibit 10(q) to the 1995 Form 10-K.

(m) 1999 Aon Deferred Compensation Plan incorporated by reference to Exhibit 10(1) of the 1999 Form 10-K.

(n) Aon Severance Plan - incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the quarter ended June 30, 1997.

(o) Asset Purchase Agreement dated July 24, 1992 between the Registrant and Frank B. Hall & Co. Inc. - incorporated by reference to Exhibit 10(c) to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1992.

(p) Stock Purchase Agreement by and among the Registrant, Combined Insurance Company of America, Union Fidelity Life Insurance Company and General Electric Capital Corporation dated as of November 11, 1995 - incorporated by reference to Exhibit 10(s) of the 1995 Form 10-K.

(q) Stock Purchase Agreement by and among the Registrant; Combined Insurance Company of America; The Life Insurance Company of Virginia; Forth Financial Resources, Ltd.; Newco Properties, Inc.; and General Electric Capital Corporation dated as of December 22, 1995 - incorporated by reference to Exhibit 10(t) to the 1995 Form 10-K.

(r) Agreement and Plan of Merger among the Registrant, Purchaser and A&A dated as of December 11, 1996 - incorporated by reference to Exhibit (c)(1) to the Registrant's Schedule 14D-1 filed with the SEC on December 16, 1996.

(s) First Amendment to Agreement and Plan of Merger dated as of January 7, 1997 among the Registrant, Purchaser and A&A - incorporated by reference to Exhibit (c)(3) to Schedule 14D-1 filed by the Registrant with the SEC on January 9, 1997.

(t) Employment Agreement dated June 1, 1993 by and among the Registrant, Aon Risk Services, Inc. and Michael D. O'Halleran, incorporated by reference to Exhibit 10(p) to the Registrant's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1998.

EXHIBIT INDEX

| Exhibit Number Regulation S-K, Item 601 | | Page Number of Sequentially Numbered Copy |
|---|---|---|
| (u) | Agreement and Plan of Merger dated July 16, 2001 among Aon Corporation, Ryan Holding Corporation of Illinois, Ryan Enterprises Corporation of Illinois, Holdco #1, Inc., Holdco #2, Inc., Patrick G. Ryan, Shirley W. Ryan and the stockholders of Ryan Holding Corporation of Illinois and of Ryan Enterprises Corporation of Illinois set forth on the signature pages thereto - incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report to the Securities and Exchange Commission on Form 10-Q for the Quarter ended June 30, 2001 (the "Second Quarter 2001 Form 10-Q"). | |
| (v) | Stock Restriction Agreement dated July 16, 2001 among Aon Corporation, Patrick G. Ryan, Shirley W. Ryan, Patrick G. Ryan Jr., Robert J.W. Ryan, the Corbett M.W. Ryan Living Trust dated July 13, 2001, the Patrick G. Ryan Living Trust dated July 10, 2001, the Shirley W. Ryan Living Trust dated July 10, 2001, the 2001 Ryan Annuity Trust dated April 20, 2001 and the Family GST Trust under the PGR 2000 Trust dated November 22, 2000 - incorporated by reference to Exhibit 10.2 to the Second Quarter 2001 Form 10-Q. | |
| (w) | Escrow Agreement dated July 16, 2001 among Aon Corporation, Patrick G. Ryan, Shirley W. Ryan, Patrick G. Ryan, Jr., Robert J.W. Ryan, the Corbett M. W. Ryan Living Trust dated July 13, 2001, the Patrick G. Ryan Living Trust dated July 10, 2001, the Shirley W. Ryan Living Trust dated July 10, 2001, the 2001 Ryan Annuity Trust dated April 20, 2001 and the Family GST Trust under the PGR 2000 Trust dated November 22, 2000 and American National Bank and Trust Company of Chicago, as escrow agent - incorporated by reference to Exhibit 10.3 to the Second Quarter 2001 Form 10-Q. | |
| (12) | Statements regarding Computation of Ratios. | |
| (a) | Statement regarding Computation of Ratio of Earnings to Fixed Charges. | |
| (b) | Statement regarding Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends. | |
| (13) | Annual Report to Stockholders of the Registrant for the year ended December 31, 2001. | |
| (21) | List of subsidiaries of the Registrant. | |
| (23) | Consent of Ernst & Young LLP to the incorporation by reference into Aon's Annual Report on Form 10-K of their report included in the 2001 Annual Report to Stockholders and into Aon's Registration Statement Nos. 33-27984, 33-42575, 33-59037, 333-21237, 333-50607, 333-55773, 333-78723, 333-49300, 333-57706, 333-65624 and 333-74364. | |

EXHIBIT INDEX

| Exhibit Number Regulation S-K, Item 601 | | Page Number of Sequentially Numbered Copy |
|---|---|---|
| (99) | Annual Report to the Securities and Exchange Commission on Form 11-K for the Aon Savings Plan for the year ended December 31, 2001 - to be filed by amendment as provided in Rule 15d-21(b). | |

Exhibit 4(g)

**AON CORPORATION,**
**ISSUER**

**AND**

**THE BANK OF NEW YORK,**
**TRUSTEE**

---

# INDENTURE

**DATED AS OF DECEMBER 13, 2001**

**FLOATING RATE NOTES DUE 2003**

TABLE OF CONTENTS


Page
----

ARTICLE One
DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.....1
SECTION 1.02. Incorporation by Reference of Trust Indenture Act.....7
SECTION 1.03. Rules of Construction.....7

ARTICLE Two
THE NOTES

SECTION 2.01. Form and Dating.....7
SECTION 2.02. Restrictive Legends.....8
SECTION 2.03. Execution, Authentication and Denominations.....10
SECTION 2.04. Registrar and Paying Agent.....11
SECTION 2.05. Paying Agent to Hold Money in Trust.....12
SECTION 2.06. Transfer and Exchange.....12
SECTION 2.07. Book-Entry Provisions for Global Notes.....13
SECTION 2.08. Special Transfer Provisions.....14
SECTION 2.09. Replacement Notes.....17
SECTION 2.10. Outstanding Notes.....17
SECTION 2.11. Temporary Notes.....17
SECTION 2.12. Cancellation.....18
SECTION 2.13. CUSIP Numbers.....18
SECTION 2.14. Issuance of Additional Notes.....18

ARTICLE Three
REDEMPTION

SECTION 3.01. Right of Redemption.....18

ARTICLE Four
COVENANTS

SECTION 4.01. Payment of Notes.....19
SECTION 4.02. Maintenance of Office or Agency.....19
SECTION 4.03. Limitation on Liens on Common Stock of Significant Subsidiary..19
SECTION 4.04. Compliance Certificates.....19
SECTION 4.05. Interest Rate Adjustment.....20
SECTION 4.06. Waiver of Certain Covenants.....20

ARTICLE Five
SUCCESSOR CORPORATION

SECTION 5.01. When Company May Merge, Etc.....20

SECTION 5.02. Successor Substituted.....21

ARTICLE Six
DEFAULT AND REMEDIES

SECTION 6.01. Events of Default.....22
SECTION 6.02. Acceleration.....22
SECTION 6.03. Other Remedies.....23
SECTION 6.04. Waiver of Past Defaults.....23
SECTION 6.05. Control by Majority.....23
SECTION 6.06. Payment of Securities on Default; Suit Therefor.....24
SECTION 6.07. Limitation on Suits.....24
SECTION 6.08. Rights of Holders to Receive Payment.....24
SECTION 6.09. Collection Suit by Trustee.....25
SECTION 6.10. Trustee May File Proofs of Claim.....25
SECTION 6.11. Priorities.....25
SECTION 6.12. Undertaking for Costs.....26
SECTION 6.13. Restoration of Rights and Remedies.....26
SECTION 6.14. Rights and Remedies Cumulative.....26
SECTION 6.15. Delay or Omission Not Waiver.....26

ARTICLE Seven
TRUSTEE

SECTION 7.01. General.....26
SECTION 7.02. Certain Rights of Trustee.....27
SECTION 7.03. Individual Rights of Trustee.....28
SECTION 7.04. Trustee's Disclaimer.....28
SECTION 7.05. Notice of Default.....28
SECTION 7.06. Reports by Trustee to Holders.....28
SECTION 7.07. Compensation and Indemnity.....29
SECTION 7.08. Replacement of Trustee.....29
SECTION 7.09. Successor Trustee by Merger, Etc.....30
SECTION 7.10. Eligibility.....30
SECTION 7.11. Money Held in Trust.....31

ARTICLE Eight
DISCHARGE OF INDENTURE

SECTION 8.01. Termination of Company's Obligations.....31
SECTION 8.02. Defeasance and Discharge of Indenture.....32
SECTION 8.03. Defeasance of Certain Obligations.....33
SECTION 8.04. Application of Trust Money.....34
SECTION 8.05. Repayment to Company.....34
SECTION 8.06. Reinstatement.....34

ARTICLE Nine
AMENDMENTS, SUPPLEMENTS AND WAIVERS


SECTION 9.01. Without Consent of Holders.....35
SECTION 9.02. With Consent of Holders.....35
SECTION 9.03. Action by Holders; Record Dates.....36
SECTION 9.04. Revocation and Effect of Consent.....37
SECTION 9.05. Notation on or Exchange of Notes.....37
SECTION 9.06. Trustee to Sign Amendments, Etc.....37
SECTION 9.07. Conformity with Trust Indenture Act.....37


ARTICLE Ten
MEETINGS OF THE HOLDERS


SECTION 10.01. Purposes of Meetings.....38
SECTION 10.02. Call of Meetings by Trustee.....38
SECTION 10.03. Call of Meetings by Company or Holders.....38
SECTION 10.04. Qualification for Voting.....39
SECTION 10.05. Regulations.....39
SECTION 10.06. Voting.....39


ARTICLE Eleven
MISCELLANEOUS


SECTION 11.01. Trust Indenture Act of 1939.....40
SECTION 11.02. Notices.....40
SECTION 11.03. Certificate and Opinion as to Conditions Precedent.....41
SECTION 11.04. Statements Required in Certificate or Opinion.....41
SECTION 11.05. Rules by Trustee, Paying Agent or Registrar.....42
SECTION 11.06. Payment Date Other Than a Business Day.....42
SECTION 11.07. Governing Law.....42
SECTION 11.08. No Adverse Interpretation of Other Agreements.....42
SECTION 11.09. No Recourse Against Others.....42
SECTION 11.10. Successors.....42
SECTION 11.11. Duplicate Originals.....42
SECTION 11.12. Separability.....42
SECTION 11.13. Table of Contents, Headings, Etc.....43
SECTION 11.14. Counterparts.....43

EXHIBIT A Form of Note.....A-1
EXHIBIT B Form of Certificate.....B-1
EXHIBIT C Form of Certificate to Be Delivered in Connection with Transfers Pursuant to Non-QIB Institutional Accredited Investors.....C-1
EXHIBIT D Form of Certificate to Be Delivered in Connection with Transfers Pursuant to Regulation S.....D-1

INDENTURE, dated as of December 13, 2001, between Aon CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Trustee").

## RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Company's Floating Rate Notes due 2003 (the "Notes") issuable as provided in this Indenture. All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done, and the Company has done all things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee hereunder and duly issued by the Company, valid obligations of the Company as hereinafter provided.

This Indenture is subject to, and shall be governed by, the provisions of the Trust Indenture Act of 1939, as amended, that are required to be a part of and to govern indentures qualified under the Trust Indenture Act of 1939, as amended.

## AND THIS INDENTURE FURTHER WITNESSETH

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders, as follows.

## DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"Affiliate" has the meaning provided in Rule 405 of the Securities Act.

"Agent" means any Registrar, Co-Registrar, Paying Agent or authenticating agent.

"Agent Members" has the meaning provided in Section 2.07(a).

"Authorized Newspaper" means a newspaper in an official language of the country of publication of general circulation in the place in connection with which the term is used. If it shall be impractical in the opinion of the Trustee to make any publication of any notice required hereby in an Authorized Newspaper, any publication or other notice in lieu thereof which is made or given with the approval of the Trustee shall constitute a sufficient publication of such notice.

"Board of Directors" means the Board of Directors of the Company or any committee of such Board of Directors duly authorized to act under this Indenture.

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

"Business Day" means any day except a Saturday, Sunday or legal holiday on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close, provided that such day is also a London Business Day.

"Calculation Agent" means the calculation agent appointed by the Company, who shall initially be The Bank of New York.

"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 instrument such Commission is not existing and performing the duties now assigned to it under the TIA, then the body performing such duties at such time.

"Company" means the party named as such in the first paragraph of this Indenture until a successor replaces it pursuant to Article Five of this Indenture and thereafter means the successor.

"Company Order" means a written request or order signed in the name of the Company (i) by its Chairman, a Vice Chairman, its President or a Vice President and (ii) by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary and delivered to the Trustee; provided, however, that such written request or order may be signed by any two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause
(ii) above.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date of this Indenture, located at 101 Barclay Street, Floor 21W, New York, New York 10286, Attention:
Corporate Trust Department.

"Default" means an event or condition the occurrence of which is, or with the lapse of time or giving of notice or both would be, an Event of Default.

"Depositary" means The Depository Trust Company, its nominees, and their respective successors.

"Event of Default" has the meaning provided in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934.

"Global Notes" has the meaning provided in Section 2.01.

"Holder" or "Noteholder" means the registered holder of any Note.

"Indenture" means this Indenture as originally executed or as it may be amended or supplemented from time to time by one or more indentures supplemental to this Indenture entered into pursuant to the applicable provisions of this Indenture.

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

"Interest Determination Date" means the second London Business Day preceding such Interest Reset Date.

"InterestPayment Date" means January 15, 2002, April 15, 2002, July 15, **2002, October 15, 2002 and January 15, 2003.**

"Interest Period" means the period from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the Maturity Date, as the case may be.

"Interest Reset Date" means January 15, 2002, April 15, 2002, July 15, **2002 and October 15, 2002.**

"LIBOR" means the rate determined by the Calculation Agent as follows:

(a) with respect to any Interest Determination Date, the rate for deposits in U.S. dollars having a maturity of three months, commencing on the applicable Interest Determination Date, that appears on Telerate Page 3750 as of 11:00 a.m., London time, on that Interest Determination Date; or

(b) if no such rate appears on Telerate Page 3750 on such Interest Determination Date, the Calculation Agent shall request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Company, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for the period of three months, commencing on the first day of the applicable Interest Period, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount equal to an amount of at least $1,000,000 that is representative for a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, then LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If only one quotation is provided by a reference bank, then LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York, on that Interest Determination Date by three major banks in The City of New York selected by the Company for loans in U.S. dollars to leading European banks, having a three-month maturity and in a principal amount equal to an amount of at least $1,000,000 that is representative for a single transaction in U.S. dollars in that market at that time, provided, however, that if the banks selected by the Company are not providing quotations in the manner described by this sentence, LIBOR determined as of that Interest Determination Date will be LIBOR in effect on that Interest Determination Date as quoted by such single reference bank.

"London Business Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Maturity Date" means January 15, 2003.

"Moody's" means Moody's Investors Service.

"Non-U.S. Person" means a person who is not a "U.S. person" (as defined in Regulation S).

"Notes" means any of the securities, as defined in the first paragraph of the recitals hereof, that are authenticated and delivered under this Indenture. For all purposes of this Indenture, the term "Notes" shall include the Notes initially issued on the Closing Date and any other Notes issued after the Closing Date under this Indenture. For purposes of this Indenture, all Notes shall vote together as one series of Notes under this Indenture.

"Officer" means, with respect to the Company, (i) the Chairman of the Board, the Chief Executive Officer, the President, any Vice President or the Chief Financial Officer, and (ii) the Treasurer or any Assistant Treasurer, or the Secretary or any Assistant Secretary.

"Officers' Certificate" means a certificate signed by one Officer listed in clause (i) of the definition thereof and one Officer listed in clause (ii) of the definition thereof or two officers listed in clause (i) of the definition thereof. Each Officers' Certificate (other than certificates provided pursuant to TIA Section 314(a)(4)) shall include the statements provided for in TIA Section 314(e).

"Offshore Global Notes" has the meaning provided in Section 2.01.

"Offshore Physical Notes" has the meaning provided in Section 2.01.

"Opinion of Counsel" means a written opinion signed by legal counsel, who may be an employee of or counsel to the Company, that meets the requirements of Section 11.04 hereof. Each such Opinion of Counsel shall include the statements provided for in TIA Section 314(e).

"Paying Agent" has the meaning provided in Section 2.04, except that, for the purposes of Article Eight, the Paying Agent shall not be the Company or a Subsidiary of the Company or an Affiliate of any of them. The term "Paying Agent" includes any additional Paying Agent.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Physical Notes" has the meaning provided in Section 2.01.

"principal" of a debt security, including the Notes, means the principal amount due on the Stated Maturity as shown on such debt security.

"Private Placement Legend" means the legend initially set forth on the Notes in the form set forth in Section 2.02.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Rating Category" means the difference between a particular rating assigned by either Moody's or S&P and the next higher or lower rating. For example, and without limiting the generality of the foregoing, in the case of Moody's the difference between Baa1 and Baa2 shall constitute one Rating Category and in the case of S&P the difference between BBB+ and BBB shall constitute one Rating Category.

"Record Date" for the interest payable on any Interest Payment Date means the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date.

"Registrar" has the meaning provided in Section 2.04.

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

"Responsible Officer," when used with respect to the Trustee, means any officer within the corporate trust department of the trustee, including any vice president, any assistant vice president, any assistant treasurer, any trust officer or assistant trust officer or any other officer of the Trustee in its corporate trust department customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

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

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

"S&P" means Standard & Poor's Ratings Services.

"Securities Act" means the Securities Act of 1933.

"Security Register" has the meaning provided in Section 2.04.

"Significant Subsidiary" means, with respect to the Company, a "significant subsidiary" as defined in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Spread" means a rate per annum equal to 1.0%, which amount may be adjusted pursuant to Section 4.05.

"Stated Maturity" means the date specified in the Notes as the fixed date on which the principal amount thereof or any installment of interest thereon is due and payable.

"Subsidiary" means, with respect to any Person, (i) any corporation of which at least a majority in interest of the outstanding capital stock having by the terms thereof voting power

under ordinary circumstances to elect directors of such corporation, irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency, is at the time, directly or indirectly, owned or controlled by such Person, or by one or more other corporations a majority in interest of such stock of which is similarly owned or controlled or by such Person and one or more other corporations a majority in interest of such stock of which is similarly owned or controlled, or (ii) any other Person (other than a corporation) in which such Person, directly or indirectly, at the date of determination thereof, has at least a majority equity ownership interest.

"Telerate Page 3750" means the display designated as "Page 3750" on Bridge Telerate, Inc. or such other page as may replace Page 3750 or any successor service or services as may be nominated by the British Bankers' Association for the purpose of displaying the London interbank rates of major banks for U.S. dollars.

"TIA" or "Trust Indenture Act" means the Trust Indenture Act of 1939 (15 U.S. Code ss.ss. 77aaa-77bbbb), as in effect on the date this Indenture was executed, except as provided in Section 9.07.

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

"United States Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and as codified in Title 11 of the United States Code, as amended from time to time hereafter, or any successor federal bankruptcy law.

"U.S. Global Notes" has the meaning provided in Section 2.01.

"U.S. Government Obligations" means securities that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"U.S. Physical Notes" means the Notes issued in the form of permanent certificated Notes in registered form in substantially the form set forth in Exhibit A to Institutional Accredited Investors which are not QIBs (excluding Non-U.S. Persons) who purchased Notes pursuant to an exemption from registration under the Securities Act.

SECTION 1.02. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, the provision 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;

"indenture security holder" means a Holder or a Noteholder;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

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

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

SECTION 1.03. Rules of Construction. Unless the context otherwise requires:

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

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with accounting principles generally accepted in the United States in effect on the date of this Indenture;

(iii) "or" is not exclusive;

(iv) words in the singular include the plural, and words

in the plural include the singular;

(v) provisions apply to successive events and transactions;

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

(vii) all references to Sections or Articles refer to Sections or Articles of this Indenture unless otherwise indicated.

## ACTICLE TWO

## THE NOTES

SECTION 2.01. Form and Dating. The Notes and the Trustee's certificate of authentication shall be substantially in the form annexed hereto as Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are required or permitted

by this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange agreements to which the Company is subject or usage. The Company shall approve the form of the Notes and any notation, legend or endorsement on the Notes. Each Note shall be dated the date of its authentication.

The terms and provisions contained in the form of the Notes annexed hereto as Exhibit A shall constitute, and are hereby expressly made, a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Notes offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more permanent global Notes in registered form, substantially in the form set forth in Exhibit A (the "U.S. Global Notes"), registered in the name of the nominee of the Depositary, deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the U.S. Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, in accordance with the instructions given by the Holder thereof, as hereinafter provided.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more permanent global Notes in registered form substantially in the form set forth in Exhibit A (the "Offshore Global Notes"), registered in the name of the nominee of the Depositary, deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Offshore Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Notes issued pursuant to Section 2.07 in exchange for interests in the Offshore Global Notes shall be in the form of permanent certificated Notes in registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Notes").

The Offshore Physical Notes and U.S. Physical Notes are sometimes collectively herein referred to as the "Physical Notes." The U.S. Global Notes and the Offshore Global Notes are sometimes referred to herein as the "Global Notes."

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Officers executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.02. Restrictive Legends. Unless and until a Note is sold in connection with an effective registration statement under the Securities Act,
(i) the U.S. Global Notes and U.S. Physical Notes shall bear the legend set forth below on the face thereof and (ii) the Offshore Physical Notes and Offshore Global Notes shall bear the legend set forth below on the face thereof until at least the 41st day after the Closing Date and receipt by the Company and the Trustee of a certificate substantially in the form of Exhibit B hereto.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. 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) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(k) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS
**NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A**
QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED

STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

Each Global Note shall also bear the following legend on the face thereof:

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

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE AND IS REGISTERED IN THE NAME OF CEDE & CO. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFERS OF THIS GLOBAL NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN NOMINEES OF CEDE & CO. OR 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 SECTION 2.08 OF THE INDENTURE.

SECTION 2.03. Execution, Authentication and Denominations. Subject to Article Four and applicable law, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is unlimited. The Notes shall be executed by two Officers of the Company. The signature of these Officers on the Notes may be by facsimile or manual signature in the name and on behalf of the Company.

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

A Note shall not be valid until the Trustee or authenticating agent manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

At any time and from time to time after the execution of this Indenture, the Trustee or an authenticating agent shall upon receipt of a Company Order authenticate for original issue Notes in the aggregate principal amount specified in such Company Order; provided that the Trustee

shall be entitled to receive an Officers' Certificate and an Opinion of Counsel of the Company in connection with such authentication of Notes. Such Company Order shall specify the amount of Notes to be authenticated and the date on which the original issue of Notes is to be authenticated and, in case of an issuance of Notes pursuant to Section 2.14, shall certify that such issuance is in compliance with Article Four.

The Trustee may appoint an authenticating agent to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such authenticating agent. An authenticating agent has the same rights as an Agent to deal with the Company or an Affiliate of the Company.

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

SECTION 2.04. Registrar and Paying Agent. The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar"), an office or agency where Notes may be presented for payment (the "Paying Agent") and an office or agency where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served, which shall be in the Borough of Manhattan, The City of New York. The Company shall cause the Registrar to keep a register of the Notes and of their transfer and exchange (the "Security Register"). The Security Register shall be in written form or any other form capable of being converted into written form within a reasonable time. The Company may have one or more Co-Registrars and one or more additional Paying Agents.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall give prompt written notice to the Trustee of the name and address of any such Agent and any change in the address of such Agent. If the Company fails to maintain a Registrar, Paying Agent and/or agent for service of notices and demands, the Trustee shall act as such Registrar, Paying Agent and/or agent for service of notices and demands. The Company may remove any Agent upon written notice to such Agent and the Trustee; provided that no such removal shall become effective until (i) the acceptance of an appointment by a successor Agent to such Agent as evidenced by an appropriate agency agreement entered into by the Company and such successor Agent and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as such Agent until the appointment of a successor Agent in accordance with clause (i) of this proviso. The Company, any Subsidiary of the Company or any Affiliate of any of them may act as Paying Agent, Registrar or Co-Registrar, and/or agent for service of notice and demands.

The Company initially appoints the Trustee as Registrar, Paying Agent, authenticating agent and agent for service of notice and demands. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee as of each Record Date and at such other times as the Trustee may reasonably request the names and addresses of Holders as they appear in the Security Register, including the aggregate principal amount of Notes held by each Holder.

SECTION 2.05. Paying Agent to Hold Money in Trust. Not later than 10:00 a.m. (New York City time) on each due date of any principal of or interest on any Notes, the Company shall deposit with the Paying Agent money in immediately available funds sufficient to pay such principal and interest so becoming due. The Company shall require each Paying Agent other than the Trustee to agree in writing that such 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 of and interest on the Notes (whether such money has been paid to it by the Company or any other obligor on the Notes), and such Paying Agent shall promptly notify the Trustee of any default by the Company (or any other obligor on the Notes) in making any such payment. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed, and the Trustee may at any time during the continuance of any payment default, upon written request to a Paying Agent, require such Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon doing so, the Paying Agent shall have no further liability for the money so paid over to the Trustee. If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, it will, on or before each due date of any principal of or interest on the Notes, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such principal or interest so becoming due until such sum of money shall be paid to such Holders or otherwise disposed of as provided in this Indenture, and will promptly notify the Trustee of its action or failure to act.

SECTION 2.06. Transfer and Exchange. The Notes are issuable only in registered form. A Holder may transfer a Note only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Security Register. Prior to the registration of any transfer by a Holder as provided herein, the Company, the Trustee and any agent of the Company shall treat the person in whose name the Note is registered as the owner thereof for all purposes whether or not the Note shall be overdue, and none of the Company, the Trustee or any such agent shall be affected by notice to the contrary. Furthermore, any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book entry system maintained by the Holder of such Global Note (or its agent) and that ownership of a beneficial interest in the Note shall be required to be reflected in a book entry. When Notes are presented to the Registrar or a Co-Registrar with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including that such Notes are duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and Registrar duly executed by the Holder thereof or by an attorney who is authorized in writing to act on behalf of the Holder). To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's request. No service charge shall be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or other similar governmental charge payable upon exchanges pursuant to Section 2.11 or 9.05).

SECTION 2.07. Book-Entry Provisions for Global Notes.

(a) The U.S. Global Notes and Offshore Global Notes initially shall (i) be registered in the name of the Depositary for such Global Notes or the nominee of such Depositary, (ii) be delivered to the Trustee as custodian for such Depositary and (iii) bear legends as set forth in Section 2.02.

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

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in Global Notes may be transferred in accordance with the rules and procedures of the Depositary and the provisions of Section 2.08. In addition, U.S. Physical Notes and Offshore Physical Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in the U.S. Global Notes or the Offshore Global Notes, as the case may be, if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the U.S. Global Notes or the Offshore Global Notes, as the case may be, and a successor depositary is not appointed by the Company within 90 days of such notice, (ii) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depositary or (iii) in accordance with the rules and procedures of the Depositary and the provisions of Section 2.08.

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

(d) In connection with any transfer of a portion of the beneficial interests in a Global Note to beneficial owners pursuant to paragraph (b) of this Section 2.07, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in such Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes or Offshore Physical Notes, as the case may be, of like tenor and amount.

(e) In connection with the transfer of the U.S. Global Notes or the Offshore Global Notes, in whole, to beneficial owners pursuant to paragraph (b) of this Section 2.07, the U.S.

Global Notes or Offshore Global Notes, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in the U.S. Global Notes or Offshore Global Notes, as the case may be, an equal aggregate principal amount of U.S. Physical Notes or Offshore Physical Notes, as the case may be, of authorized denominations.

(f) Any U.S. Physical Note delivered in exchange for an interest in the U.S. Global Notes pursuant to paragraph (b), (d) or (e) of this Section 2.07 shall, except as otherwise provided by paragraph (h) of Section 2.08, bear the legend regarding transfer restrictions applicable to the U.S. Physical Note set forth in Section 2.02.

(g) Any Offshore Physical Note delivered in exchange for an interest in the Offshore Global Notes pursuant to paragraph (b), (d) or (e) of this Section 2.07 shall, except as otherwise provided by paragraph (h) of
Section 2.08, bear the legend regarding transfer restrictions applicable to the Offshore Physical Note set forth in Section 2.02.

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

SECTION 2.08. Special Transfer Provisions. Unless and until a Note is sold in connection with an effective registration statement under the Securities Act, the following provisions shall apply:

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

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act or (y) the proposed transferee has delivered to the Registrar (A) a certificate substantially in the form of Exhibit C hereto and (B) if the aggregate principal amount of the Notes being transferred is less than $250,000, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Notes, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) above and (y) instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Notes in an amount equal to the principal amount of the beneficial interest in the U.S. Global Notes to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of like tenor and amount.

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

(i) If the Note to be transferred consists of
(x) either Offshore Physical Notes prior to the removal of the Private Placement Legend or U.S. Physical Notes, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A or (y) an interest in the U.S. Global Notes, the transfer of such interest may be effected only through the book-entry system maintained by the Depositary.

(ii) If the proposed transferee is an Agent Member, and the Note to be transferred consists of U.S. Physical Notes, upon receipt by the Registrar of the documents referred to in paragraph (i) above and instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of U.S. Global Notes in an amount equal to the principal amount of the U.S. Physical Notes to be transferred, and the Trustee shall cancel the U.S. Physical Notes so transferred.

(c) Transfers of Interests in the Offshore Global Notes or Offshore Physical Notes. The following provisions shall apply with respect to any transfer of interests in Offshore Global Notes or Offshore Physical Notes:

(i) prior to the removal of the Private Placement Legend from the Offshore Global Notes or Offshore Physical Notes pursuant to Section 2.02, the Registrar shall refuse to register such transfer unless such transfer complies with Section 2.08(b) or Section 2.08(d), as the case may be, and

(ii) after such removal, the Registrar shall register the transfer of any such Note without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at Any Time. The following provisions shall apply with respect to any transfer of a Note to a Non-U.S. Person:

(i) The Registrar shall register any proposed transfer to any Non-U.S. Person if the Note to be transferred is a U.S. Physical Note or an interest in U.S. Global Notes, upon receipt of a certificate substantially in the form of Exhibit D hereto from the proposed transferor.

(ii) (a) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Notes, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Notes in an amount equal to the principal amount of the beneficial interest in the U.S. Global Notes to be transferred, and (b) if the proposed transferee is an Agent Member, upon receipt by the Registrar of instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Notes in an amount equal to the principal amount of the U.S. Physical Notes or the U.S. Global Notes, as the case may be, to be transferred, and the Trustee shall cancel the Physical Note, if any, so transferred or decrease the amount of the U.S. Global Notes.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) the Private Placement Legend is no longer required by Section 2.02, (ii) the circumstances contemplated by paragraph (a)(i)(x) of this Section 2.08 exist or (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.07 or this Section 2.08. The Company shall have the right to

SECTION 2.09. Replacement Notes. If a mutilated Note is surrendered to the Trustee or if the Holder claims that the Note has been lost, destroyed or wrongfully taken, then, in the absence of notice to the Company or the Trustee that such Note has been acquired by a bona fide purchaser, the Company shall issue and the Trustee shall authenticate a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding; provided that the requirements of this Section 2.09 are met. If required by the Trustee or the Company, an indemnity bond must be furnished that is sufficient in the judgment of both the Trustee and the Company to protect the Company, the Trustee or any Agent from any loss that any of them may suffer if a Note is replaced. The Company may charge such Holder for its expenses and the expenses of the Trustee in replacing a Note. In case any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Company and shall be entitled to the benefits of this Indenture.

SECTION 2.10. Outstanding Notes. Notes outstanding at any time are all Notes that have been authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section 2.10 as not outstanding.

If a Note is replaced pursuant to Section 2.09, it ceases to be outstanding unless and until the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a bona fide purchaser.

If the Paying Agent (other than the Company or an Affiliate of the Company) holds on the Maturity Date money sufficient to pay Notes payable on that date, then on and after that date such Notes cease to be outstanding and interest on them shall cease to accrue.

A Note does not cease to be outstanding because the Company or one of its Affiliates holds such Note, provided, however, that in determining whether the Holders of the requisite principal amount of the outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Responsible Officer of the Trustee has actual knowledge to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor.

SECTION 2.11. Temporary Notes. Until definitive Notes are ready for delivery, the Company may prepare and execute and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have insertions,

substitutions, omissions and other variations determined to be appropriate by the Officers executing the temporary Notes, as evidenced by their execution of such temporary Notes. If temporary Notes are issued, the Company will cause definitive Notes to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes shall be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency of the Company designated for such purpose pursuant to Section 4.02, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 2.12. Cancellation. The Company at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee for cancellation any Notes previously authenticated hereunder which the Company has not issued and sold. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Trustee shall cancel all Notes surrendered for transfer, exchange, payment or cancellation and shall dispose of them in accordance with its normal procedure.

SECTION 2.13. CUSIP Numbers. The Company in issuing the Notes may use "CUSIP", "CINS" or "ISIN" numbers (if then generally in use), and the Company and the Trustee shall use CUSIP, CINS or ISIN numbers, as the case may be, in notices of exchange as a convenience to Holders; provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of exchange and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee of any change in "CUSIP", "CINS" or "ISIN" numbers for the Notes.

SECTION 2.14. Issuance of Additional Notes. The Company may, subject to Article Four of this Indenture and applicable law, issue additional Notes under this Indenture. The Notes issued on the Closing Date and any additional Notes subsequently issued shall be treated as a single class for all purposes under this Indenture.

## ARTICLE THREE

## REDEMPTION

SECTION 3.01. Right of Redemption. The Notes are not redeemable prior to the Maturity Date.

## ARTICLE FOUR

## COVENANTS

SECTION 4.01. Payment of Notes. The Company shall pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and this Indenture. An installment of principal or interest shall be considered paid on the date due if the Trustee or Paying Agent (other than the Company, a Subsidiary of the Company or any Affiliate of any of them) holds on that date money designated for and sufficient to pay the installment. If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, an installment of principal or interest shall be considered paid on the due date if the entity acting as Paying Agent complies with the last sentence of Section 2.05. As provided in Section 6.10, upon any bankruptcy or reorganization procedure relative to the Company, the Trustee shall serve as the Paying Agent, if any, for the Notes.

SECTION 4.02. Maintenance of Office or Agency. So long as any of the Notes shall remain outstanding, the Company will maintain in the Borough of Manhattan, The City of New York an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 11.02.

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

The Company hereby initially designates the Corporate Trust Office of the Trustee as such office of the Company in accordance with Section 2.04.

SECTION 4.03. Limitation on Liens on Common Stock of Significant Subsidiary. So long as any of the Notes shall remain outstanding, the Company will not, directly or indirectly, create, issue, assume, incur or guarantee any indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or other encumbrance of any nature on any of the present or future common stock of any Significant Subsidiary (or any company, other than the Company, having direct or indirect control of any Significant Subsidiary), which common stock is directly or indirectly owned by the Company, unless the Notes (together with, if the Company so determines, any other indebtedness for money borrowed of the Company then existing or thereafter created which is not subordinate to the Notes) shall be secured equally and ratably with (or, at the option of the Company, prior to) such other secured indebtedness for money borrowed so long as such indebtedness shall be secured.

SECTION 4.04. Compliance Certificates. The Company shall deliver to the Trustee on or before a date not more than four months after the end of each fiscal year of the Company

ending after the date hereof, an Officers' Certificate signed by the Company's chief financial officer, principal executive officer or principal accounting officer stating whether or not the signers have knowledge of any Default or Event of Default. If any of the Officers of the Company signing such certificate has knowledge of such a Default or Event of Default, the Officers' Certificate shall describe any such Default or Event of Default and the nature thereof.

SECTION 4.05. Interest Rate Adjustment.

(a) In the event that either Moody's or S&P downgrades the credit rating ascribed to the Company's senior unsecured debt below A3 in the case of Moody's or below A- in the case of S&P, the amount of the Spread applicable to the Notes will be increased by 0.25% for each Rating Category downgrade below the applicable level by each rating agency.

(b) If following an event described in Section 4.05(a), Moody's or S&P subsequently increases the rating ascribed to the Company's senior unsecured debt, then the amount of the Spread applicable to the Notes will be decreased by 0.25% for each Rating Category upgrade by either rating agency, provided, however, that in no event will the amount of the Spread with respect to the Notes be reduced to below the initial Spread as a result of this Section 4.05(b).

(c) Any such interest rate increase or decrease will take effect commencing on the Interest Payment Date next following the related rating downgrade or upgrade, as the case may be, and remain in effect during all subsequent Interest Periods, subject to the further adjustments and limitations set forth under Section 4.05(b). There is no limit to the number of times the amount of the Spread applicable to the Notes can be adjusted.

(d) The Company shall promptly provide the Trustee and the Holders of the Notes written notice of any event described in Sections 4.05(a) or 4.05(b) in accordance with the procedures set forth in Section 11.02.

SECTION 4.06. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any term, provision or condition set forth in
Section 4.03 if before the time for such compliance the Holders of at least a majority in aggregate principal amount of the Notes shall, by action of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision 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 term, provision or condition shall remain in full force and effect.

## ARTICLE FIVE

## SUCCESSOR CORPORATION

SECTION 5.01. When Company May Merge, Etc. So long as any Notes shall be outstanding, the Company shall not consolidate with or merge into any other Person or sell, convey, transfer or lease its properties and assets substantially as an entirety to any Person unless:

(a) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, the due and punctual payment of the principal of and interest on the Notes and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company as a result of such transaction as having been incurred by the Company at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(c) if, as a result of any such consolidation or merger or such sale, conveyance, transfer, lease or other disposition, properties or assets of the Company would become subject to a mortgage, pledge, lien, security interest or other encumbrance of any nature which would not be permitted by this Indenture, the Company or such successor corporation or such Person, firm or corporation, as the case may be, shall take such steps as shall be necessary effectively to secure the Notes (together with, if the Company so determines, any other indebtedness for money borrowed of the Company then existing or thereafter created which is not subordinate to the Notes) equally and ratably with (or, at the option of the Company, prior to) all indebtedness secured thereby; and

(d) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance, transfer, lease or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article Five and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 5.02. Successor Substituted. Upon any consolidation or merger, or any sale, conveyance, transfer, lease or other disposition of all or substantially all of the property and assets of the Company in accordance with
Section 5.01 of this Indenture, the successor Person formed by such consolidation or into which the Company is merged or to which such sale, conveyance, transfer, lease or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; provided that the Company shall not be released from its obligation to pay the principal of or interest on the Notes in the case of a lease of all or substantially all of its property and assets.

## ARTICLE SIX

## DEFAULT AND REMEDIES

SECTION 6.01. Events of Default. Any of the following events shall constitute an "Event of Default" hereunder:

(a) default in the payment of the principal of any of the Notes as and when the same shall become due and payable either at maturity by declaration or otherwise; or

(b) default in the payment of any installment of interest on any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in this Indenture applicable to the Notes for a period of 90 days after the date on which written notice of such failure, specifying such failure and requiring the Company to remedy the same and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes at the time outstanding; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 days; or

(e) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of any order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or shall make any general assignment for the benefit of creditors.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default specified in clause (d) or (e) of Section 6.01 that occurs with respect to the Company) occurs and is continuing under this Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, declare the principal of and accrued and unpaid interest on all the Notes to be immediately due and payable, any provision of this Indenture or the Notes to the contrary notwithstanding. Upon a declaration of acceleration, such principal and accrued and unpaid interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in clause (c) of Section 6.01 has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (c) shall be remedied or cured by the Company or waived by the Holders within 60 days after the declaration of acceleration with respect thereto. If an Event of Default specified in clause (d) or (e) of Section 6.01 occurs with respect to the Company, the principal and accrued and unpaid interest on the

Notes then outstanding shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

At any time after such declaration of acceleration, but before a judgment or decree for the payment of the money due has been obtained by the Trustee, the Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee, may waive all past Defaults and rescind and annul a declaration of acceleration 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 hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Notes, and (iii) the principal of any Notes that have become due otherwise than by such declaration or occurrence of acceleration and interest thereon at the rate prescribed therefor by such Notes, (b) all existing Events of Default, other than the non-payment of the principal of and accrued and unpaid interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (c) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may, and at the direction of the Holders of at least a majority in principal amount of the outstanding Notes shall, pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

SECTION 6.04. Waiver of Past Defaults. Subject to Sections 6.02, 6.08 and 9.02, the Holders of at least a majority in principal amount of the outstanding Notes, by notice to the Trustee, may waive an existing Default or Event of Default and its consequences, except a Default in the payment of principal of or interest on any Note as specified in clause (a) or (b) of
Section 6.01 or in respect of a covenant or provision of this Indenture which cannot be modified or amended without the consent of the Holder of each outstanding Note affected. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 6.05. Control by Majority. The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided that the Trustee may refuse to follow any direction if the Trustee, being advised by counsel, determines that the actions or proceedings so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors or trustees and/or responsible officers shall determine that the actions or proceedings so directed would involve the Trustee in personal liability; and provided further, that the Trustee may take any other action it deems proper that is not inconsistent with any such direction received from Holders of Notes.

SECTION 6.06. Payment of Securities on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Notes, as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or (b) in case default shall be made in the payment of principal of any of the Notes, as and when the same shall have become due and payable, whether upon maturity of the Notes or upon declaration or otherwise, then upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the Holders, the whole amount that then shall have become due and payable on all of the Notes, for principal or interest, if any, as the case may be, with interest upon the overdue principal and (to the extent that payment of such interest is enforceable under applicable law), upon overdue installments of interest, if any, at the same rate as the rate of interest specified in the Notes; and, in addition thereto, such further amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

SECTION 6.07. Limitation on Suits. A Holder may not institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least 25% in aggregate principal amount of outstanding Notes shall have made a written request to the Trustee to pursue such remedy;

(iii) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

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

For purposes of Section 6.05 of this Indenture and this Section 6.07, the Trustee shall comply with TIA Section 316(a) in making any determination of whether the Holders of the required aggregate principal amount of outstanding Notes have concurred in any request or direction of the Trustee to pursue any remedy available to the Trustee or the Holders with respect to this Indenture or the Notes or otherwise under the law.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder.

SECTION 6.08. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of the principal of or interest on such Note or to bring suit for the enforcement of any such payment, on or after

the due date expressed in the Notes, shall not be impaired or affected without the consent of such Holder.

SECTION 6.09. Collection Suit by Trustee. If an Event of Default in payment of principal or interest specified in clause (a) or (b) of Section 6.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company or any other obligor of the Notes for the whole amount of principal and accrued interest remaining unpaid, together with interest on overdue principal, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.10. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor of the Notes), its creditors or its property and shall be entitled and empowered to collect and receive any monies, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. Nothing herein contained shall be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.11. Priorities. If the Trustee collects any money pursuant to this Article Six, it shall pay out the money in the following order:

First: to the payment of all reasonable costs and expenses applicable to such collection, reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith;

Second: to Holders for amounts then due and unpaid for principal of and interest on the Notes in respect of which or for the benefit of which such money has been collected, with interest upon the overdue installments of interest, to the extent lawful, at the same rate as the rate of interest on the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for principal and interest, respectively; and

Third: to the Company or any other obligors of the Notes, as their interests may appear, or as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.11.

SECTION 6.12. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.12 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.08, or a suit by Holders of more than 10% in principal amount of the outstanding Notes.

SECTION 6.13. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Company, Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 6.14. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.15. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

## ARTICLE SEVEN

## TRUSTEE

SECTION 7.01. General. The duties and responsibilities of the Trustee shall be as provided by the TIA and as set forth herein. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article Seven.

SECTION 7.02. Certain Rights of Trustee. Subject to TIA Sections 315(a) through (d):

(i) the Trustee may conclusively rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper person;

(ii) before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, which shall conform to Section 11.04. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion;

(iii) the Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder;

(iv) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction;

(v) the Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers, provided that the Trustee's conduct does not constitute negligence or bad faith;

(vi) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officers' Certificate;

(vii) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company personally or by agent or attorney;

(viii) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and

protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon;

(ix) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture;

(x) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder; and

(xi) the Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of Officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any Person authorized to sign an Officers' Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

SECTION 7.03. Individual Rights of Trustee. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not the Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to TIA Sections 310(b) and 311.

SECTION 7.04. Trustee's Disclaimer. The Trustee (i) makes no representation as to the validity or adequacy of this Indenture or the Notes, (ii) shall not be accountable for the Company's use or application of the proceeds from the Notes and (iii) shall not be responsible for any statement in the Notes other than its certificate of authentication.

SECTION 7.05. Notice of Default. If any Default or any Event of Default occurs and is continuing and if such Default or Event of Default is known to a Responsible Officer of the Trustee, the Trustee shall mail to each Holder in the manner and to the extent provided in TIA Section 313(c) notice of the Default or Event of Default within 45 days after it occurs, unless such Default or Event of Default has been cured; provided, however, that, except in the case of a default in the payment of the principal of or interest on any Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders.

SECTION 7.06. Reports by Trustee to Holders. Within 60 days after each July 15, beginning with July 15, 2002, the Trustee shall mail to each Holder as provided in TIA Section 313(c) a brief report, if and as required by TIA Section
313(a), dated as of such July 15.

A copy of each report at the time of its mailing to the Holders of Securities shall be mailed to the Company and filed with the Commission and each stock exchange on which the Securities are listed in accordance with TIA Section
313(d). The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange or of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee such compensation as shall be agreed upon in writing for its services hereunder. The compensation of the Trustee shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable disbursements, expenses and advances incurred or made by the Trustee without negligence or bad faith on its part. Such expenses shall include the reasonable compensation and expenses of the Trustee's agents and counsel.

The Company shall indemnify the Trustee and any predecessor trustee for, and hold it harmless against, any and all loss or liability or expense incurred by it without negligence or bad faith on its part in connection with the acceptance or administration of this Indenture and its duties under this Indenture and the Notes, including the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Indenture and the Notes. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder, unless the Company is materially prejudiced thereby. The Company shall defend the claim and the Trustee shall cooperate in the defense. Unless otherwise set forth herein, the Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except money or property held in trust to pay principal of and interest on particular Notes.

If the Trustee incurs expenses or renders services after the occurrence of an Event of Default specified in clause (d) or (e) of Section 6.01, the expenses and the compensation for the services will be intended to constitute expenses of administration under Title 11 of the United States Bankruptcy Code or any applicable federal or state law for the relief of debtors.

The provisions of this Section 7.07 shall survive the termination of this Indenture and the resignation and removal of the Trustee.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

SECTION 7.08. Replacement of Trustee. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign at any time by so notifying the Company in writing at least 30 days prior to the date of the proposed resignation. The Holders of a majority in principal amount of the outstanding Notes may at any time remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company may remove the Trustee if: (i) the Trustee is no longer eligible under Section 7.10; (ii) the Trustee is adjudged a bankrupt or an insolvent; (iii) a

receiver or other public officer takes charge of the Trustee or its property; or
(iv) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company. If the successor Trustee does not deliver its written acceptance required by the next succeeding paragraph of this Section 7.08 within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in principal amount of the outstanding Notes may, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Immediately after the delivery of such written acceptance, subject to the lien provided in Section 7.07, (i) the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, (ii) the resignation or removal of the retiring Trustee shall become effective and (iii) the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Holder. No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

If the Trustee is no longer eligible under Section 7.10 or shall fail to comply with TIA Section 310(b), any Holder who satisfies the requirements of TIA Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.08, the Trustee shall resign immediately in the manner and with the effect provided in this Section.

The Company shall give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligation under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger, Etc. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee herein, provided such corporation shall be otherwise qualified and eligible under this Article.

SECTION 7.10. Eligibility. This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1). The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition that is subject to the requirements of applicable Federal or state supervising or examining authority. If

at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in this Article.

SECTION 7.11. Money Held in Trust. The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law and except for money held in trust under Article Eight of this Indenture.

## ARTICLE EIGHT

## DISCHARGE OF INDENTURE

SECTION 8.01. Termination of Company's Obligations. Except as otherwise provided in this Section 8.01, the Company may terminate its obligations under the Notes and this Indenture if:

(i) all Notes previously authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or Notes that are paid pursuant to Section 4.01 or Notes for whose payment money or securities have theretofore been held in trust and thereafter repaid to the Company, as provided in Section 8.05) have been delivered to the Trustee for cancellation and the Company has paid all sums payable by it hereunder; or

(ii) (A) the Notes mature within one year, (B) the Company irrevocably deposits in trust with the Trustee during such one-year period, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds solely for the benefit of the Holders for that purpose, money or U.S. Government Obligations sufficient (in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee), without consideration of any reinvestment of any interest thereon, to pay principal and interest on the Notes to maturity, and to pay all other sums payable by it hereunder, (C) no Default or Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit, (D) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound and (E) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with.

With respect to the foregoing clause (i), the Company's obligations under Section 7.07 shall survive. With respect to the foregoing clause (ii), the Company's obligations in Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 4.01, 4.02, 7.07, 7.08, 8.04, 8.05 and 8.06 shall survive until the Notes are no longer outstanding. Thereafter, only the Company's obligations in Sections 7.07, 8.04, 8.05 and 8.06 shall survive. After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Company's obligations under the Notes and this Indenture except for those surviving obligations specified above.

SECTION 8.02. Defeasance and Discharge of Indenture. The Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 91st day after the date of the deposit referred to in clause (a) of this Section 8.02, and the provisions of this Indenture will no longer be in effect with respect to the Notes, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same if:

(a) with reference to this Section 8.02, the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 7.10) and conveyed all right, title and interest to the Trustee for the benefit of the Holders, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee as trust funds in trust, specifically pledged to the Trustee for the benefit of the Holders as security for payment of the principal of and interest, if any, on the Notes, and dedicated solely to, the benefit of the Holders, in and to (1) money in an amount, (2) U.S. Government Obligations that, through the payment of interest and principal in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (a), money in an amount or (3) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the Trustee, the principal of and interest on the outstanding Notes on the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal and interest with respect to the Notes;

(b) the Company has delivered to the Trustee either (x) an Opinion of Counsel to the effect that Holders will not recognize income, gain or loss for federal income tax purposes as a result of the Company's exercise of its option under this Section 8.02 and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised, which Opinion of Counsel shall be based upon (and accompanied by a copy of) a ruling of the Internal Revenue Service to the same effect unless there has been a change in applicable federal income tax law after the Closing Date such that a ruling is no longer required or (y) a ruling directed to the Trustee received from the Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel.

(c) immediately after giving effect to such deposit, on a pro forma basis, no Default or Event of Default shall have occurred and be continuing on the date of such deposit or, insofar as Sections 6.01(d) and 6.01(e) are concerned, at any time during the period ending on the 91st day after such date of such deposit;

(d) if the Notes are then listed on a national securities exchange, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Notes will not be delisted as a result of such deposit, defeasance and discharge; and

(e) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this
Section 8.02 have been complied with.

Notwithstanding the foregoing, prior to the end of the 91-day period referred to in clause (c) of this Section 8.02, none of the Company's obligations under this Indenture shall be discharged. Subsequent to the end of such 91-day period with respect to this Section 8.02, the Company's obligations in Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 8.04, 8.05, 8.06 and the rights, powers, trusts, duties and immunities of the Trustee hereunder shall survive until the Notes are no longer outstanding. Thereafter, only the Company's obligations in Sections 7.07, 8.04, 8.05 and 8.06 shall survive.

After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Company's obligations under the Notes and this Indenture except for those surviving obligations in the immediately preceding paragraph.

SECTION 8.03. Defeasance of Certain Obligations. The Company may omit to comply with any term, provision or condition set forth in Sections 4.03, 4.05 and 5.01 and clause (c) of Section 6.01 with respect to Sections 4.03, 4.05 and 5.01, and clause (c) of Section 6.01 shall be deemed not to be an Event of Default, in each case with respect to the outstanding Notes if:

(i) with reference to this Section 8.03, the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 7.10) and conveyed all right, title and interest to the Trustee for the benefit of the Holders, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee as trust funds in trust, specifically pledged to the Trustee for the benefit of the Holders as security for payment of the principal of and interest, if any, on the Notes, and dedicated solely to, the benefit of the Holders, in and to (A) money in an amount, (B) U.S. Government Obligations that, through the payment of interest and principal in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (i), money in an amount or (C) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the Trustee, the principal of and interest on the outstanding Notes on the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal and interest with respect to the Notes;

(ii) the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(iii) immediately after giving effect to such deposit on a pro forma basis, no Default or Event of Default shall have occurred and be continuing on the date of such

deposit or, insofar as Sections 6.01(d) and 6.01(e) are concerned, at any time during the period ending on the 91st day after such date of such deposit;

(iv) if the Notes are then listed on a national securities exchange, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Notes will not be delisted as a result of such deposit, defeasance and discharge; and

(v) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 8.03 have been complied with.

SECTION 8.04. Application of Trust Money. Subject to Section 8.06, the Trustee or Paying Agent shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 8.01, 8.02 or 8.03, as the case may be, and shall apply the deposited money and the money from U.S. Government Obligations in accordance with the Notes and this Indenture to the payment of principal of and interest on the Notes; but such money need not be segregated from other funds except to the extent required by law.

SECTION 8.05. Repayment to Company. Subject to Sections 7.07, 8.01, 8.02 and 8.03, the Trustee and the Paying Agent shall promptly pay to the Company upon request set forth in an Officers' Certificate any excess money held by them at any time and thereupon shall be relieved from all liability with respect to such money. The Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for two years; provided that the Trustee or Paying Agent before being required to make any payment may cause to be published at the expense of the Company once in a newspaper of general circulation in The City of New York or mail to each Holder entitled to such money at such Holder's address (as set forth in the Security Register) 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 will be repaid to the Company. After payment to the Company, Holders entitled to such money must look to the Company for payment as general creditors unless an applicable law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

SECTION 8.06. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 8.01, 8.02 or 8.03, as the case may be, 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 obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01, 8.02 or 8.03, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 8.01, 8.02 or 8.03, as the case may be; provided that, if the Company has made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

## ARTICLE NINE

## AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders. The Company, when authorized by a resolution of its Board of Directors (as evidenced by a Board Resolution delivered to the Trustee), and the Trustee may amend or supplement this Indenture or the Notes without notice to or the consent of any Holder:

(i) to cure any ambiguity, defect or inconsistency in this Indenture;

(ii) to comply with Article Five;

(iii) to comply with any requirements of the Commission in connection with any qualification of this Indenture under the TIA;

(iv) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee;

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

(vi) to add to the covenants of the Company for the protection of the Holders, to add any additional Events of Default with respect to the Notes, or to surrender any right or power conferred upon the Company; or

(vii) to make any change that, in the good faith opinion of the Board of Directors as evidenced by a Board Resolution, does not materially and adversely affect the rights of any Holder.

SECTION 9.02. With Consent of Holders. Subject to Sections 6.04 and 6.08 and without prior notice to the Holders, the Company, when authorized by its Board of Directors (as evidenced by a Board Resolution delivered to the Trustee), and the Trustee may amend this Indenture and the Notes with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, and the Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may waive future compliance by the Company with any provision of this Indenture or the Notes.

Notwithstanding the provisions of this Section 9.02, without the consent of each Holder affected, an amendment or waiver, including a waiver pursuant to Section 6.04, may not:

(i) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(ii) reduce the principal amount of or interest on any Note except as provided in this Indenture;

(iii) change any place or currency of payment of principal of or interest on any Note;

(iv) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity on any Note;

(v) reduce the percentage or principal amount of outstanding Notes the consent of whose Holders is necessary to modify or amend this Indenture or to waive compliance with certain provisions of or certain Defaults under this Indenture;

(vi) waive a default in the payment of principal of or interest on any Note; or

(vii) modify any of the provisions of this Section 9.02, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby.

It shall not be necessary for the consent of the Holders under this
Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. The Company will mail supplemental indentures to Holders upon request. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or waiver.

SECTION 9.03. Action by Holders; Record Dates. Whenever in this Indenture it is provided that the Holders of a specified aggregate principal amount of the outstanding Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified amount have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Holders in person or by agent or proxy appointed in writing, or (b) the record of the Holders voting in favor thereof at any meeting of the Holders duly called and held in accordance with the provisions of Article Ten, or (c) any combination of such instrument or instruments and any such record of such a meeting of the Holders.

Subject to the provisions of Sections 7.02 and 10.05, proof of the execution of any instrument by a Holder or its agent or proxy shall be sufficient if the ownership of the Notes shall be proved by (a) the Security Register or by a certificate of the Registrar; or (b) in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in any other manner which the Trustee may deem sufficient.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then, notwithstanding the last two sentences of the immediately preceding paragraph, those persons who were Holders at such record date (or their duly designated proxies)

and only those persons shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it is of the type described in the second paragraph of
Section 9.02. In case of an amendment or waiver of the type described in the second paragraph of Section 9.02, the amendment or waiver shall bind each Holder who has consented to it and every subsequent Holder of a Note that evidences the same indebtedness as the Note of the consenting Holder.

SECTION 9.04. Revocation and Effect of Consent. Until an amendment or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the Note of the consenting Holder, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note or portion of its Note. Such revocation shall be effective only if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver shall become effective on receipt by the Trustee of written consents from the Holders of the requisite percentage in principal amount of the outstanding Notes.

SECTION 9.05. Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder to deliver such Note to the Trustee. At the Company's expense, the Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder, and the Trustee may place an appropriate notation on any Note thereafter authenticated. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation, or issue a new Note, shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee to Sign Amendments, Etc. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article Nine is authorized or permitted by this Indenture and that it will be valid and binding upon the Company. Subject to the preceding sentence, the Trustee shall sign such amendment, supplement or waiver if the same does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Trustee may, but shall not be obligated to, execute any such amendment, supplement or waiver that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.07. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the TIA as then in effect

## ARTICLE TEN

## MEETINGS OF THE HOLDERS

SECTION 10.01. Purposes of Meetings. A meeting of the Holders may be called at any time and from time to time pursuant to the provisions of this Article Ten for any of the following purposes:

(i) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive any Default hereunder and its consequences, or to take any other action authorized to be taken by the Holders pursuant to any of the provisions of Article Six;

(ii) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(iii) to consent to any amendment, supplement or waiver pursuant to the provisions of Section 9.02; or

(iv) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the outstanding Notes under any other provision of this Indenture or under applicable law.

SECTION 10.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of the Holders to take any action specified in Section 10.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given (a) to all Holders of Notes then outstanding, by publication at least twice in an Authorized Newspaper in the Borough of Manhattan, The City of New York prior to the date fixed for the meeting, the first publication, in each case, to be not less than 20 nor more than 180 days prior to the date fixed for the meeting and the last publication to be not more than five days prior to the date fixed for the meeting and (b) to all Holders of Notes then outstanding who have filed their names and addresses with the Trustee, by mailing such notice to such Holders at such addresses, not less than 20 nor more than 180 days prior to the date fixed for the meeting. Failure of any Holder or Holders to receive such notice or any defect therein shall in no case affect the validity of any action taken at such meeting. Any meeting of the Holders shall be valid without notice if the Holders of all Notes then outstanding, the Company and the Trustee are present in person or by proxy or shall have waived notice thereof before or after the meeting.

SECTION 10.03. Call of Meetings by Company or Holders. In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in aggregate principal amount of the Notes then outstanding, as the case may be, shall have requested the Trustee to call a meeting of the Holders to take any action authorized in Section 10.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Trustee shall not have mailed or published as provided in Section 10.02, the notice of such meeting within 30 days after receipt of such request, then the Company or the Holders in the amount above

specified may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 10.01, by mailing or publishing notice thereof as provided in Section 10.02.

SECTION 10.04. Qualification for Voting. To be entitled to vote at any meeting of the Holders a person shall be a Holder of the Notes or a person appointed by an instrument in writing as proxy by such Holder. The only persons who shall be entitled to be present or to speak at any meeting of the Holders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 10.05. Regulations. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Holders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as the Trustee shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by the Holders as provided in Section 10.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Notes represented at the meeting and entitled to vote.

Subject to the provisions of Section 9.03, at any meeting of the Holders, each Holder or proxy shall be entitled to one vote for each $1,000 principal amount at maturity of outstanding Notes held or represented by such Holder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote except as a Holder or proxy. Any meeting of the Holders duly called pursuant to the provisions of Section 10.02 or 10.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

SECTION 10.06. Voting. The vote upon any resolution submitted to any meeting of the Holders shall be by written ballot on which shall be subscribed the signatures of the Holders or proxies and on which shall be inscribed the identifying number or numbers or to which shall be attached a list of identifying numbers of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of the Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section
10.02. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the

Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached hereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

## ARTICLE ELEVEN

## MISCELLANEOUS

SECTION 11.01. Trust Indenture Act of 1939. This Indenture shall incorporate and be governed by the provisions of the TIA that are required to be part of and to govern indentures qualified under the TIA.

SECTION 11.02. Notices. Any notice or communication shall be sufficiently given if in writing and delivered in person, mailed by first-class mail or sent by telecopier transmission addressed as follows:

**if to the Company:**

Aon Corporation
200 East Randolph Street
Chicago, Illinois 60601

Telecopier No.: (312) 381-6060 Attention: Treasurer

**if to the Trustee:**

The Bank of New York

c/o BNY Midwest Trust Company 2 North LaSalle Street, Suite 1020 Chicago, Illinois 60602 Attention: Corporate Trust Administration

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder shall be mailed to it at its address as it appears on the Security Register by first-class mail and shall be sufficiently given to him if so mailed within the time prescribed. Any notice or communication shall also be so mailed to any Person described in TIA Section
313(c), to the extent required by the TIA. Copies of any such communication or notice to a Holder shall also be mailed to the Trustee and each Agent at the same time.

Failure to mail a notice or communication to a Holder as provided herein or any defect in any such notice or communication 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 in this Section 11.02, it is duly given, whether or not the addressee receives it.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 11.03. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(i) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel stating that, in the opinion of such Counsel, all such conditions precedent have been complied with.

SECTION 11.04. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion is based;

(iii) a statement that, in the opinion of each such person, such person has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with; provided, however, that, with respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials.

SECTION 11.05. Rules by Trustee, Paying Agent or Registrar. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 11.06. Payment Date Other Than a Business Day. If any Interest Payment Date that is not a Maturity Date shall not be a Business Day, then payment of principal of or interest on the Notes will be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date. If any Maturity Date shall not be a Business Day, then payment of principal of or interest on the Notes will be made on the next succeeding Business Day with the same force and effect as if made on the Maturity Date, and no interest will accrue on such payment for the period from and after the Maturity Date to the date of such payment on the next succeeding Business Day.

SECTION 11.07. Governing Law. This Indenture and the Notes shall be governed by the laws of the State of New York. The Trustee, the Company and the Holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Indenture or the Notes.

SECTION 11.08. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any Subsidiary of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.09. No Recourse Against Others. No recourse for the payment of the principal of or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company contained in this Indenture or in any of the Notes, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator or against any past, present or future partner, stockholder, other equityholder, officer, director, employee or controlling person, as such, of the Company or of any successor Person, either directly or through the Company or any successor Person, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

SECTION 11.10. Successors. All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 11.11. Duplicate Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 11.12. Separability. In case any provision in this Indenture or in 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 11.13. Table of Contents, Headings, Etc. The Table of Contents and headings of the Articles and Sections of this 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 and provisions hereof.

SECTION 11.14. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

**SIGNATURES**

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

**Aon CORPORATION**

By:_____
Name:
Title:

**THE BANK OF NEW YORK**

By:_____
Name:
Title:

**EXHIBIT A**

**FORM OF NOTE**

[include the following legend on all Notes that are (i) U.S. Global Notes or U.S. Physical Notes; and (ii) Offshore Physical Notes or Offshore Global Notes until at least the 41st day after the Closing Date and receipt by the Company and the Trustee of a certificate substantially in the form of Exhibit B hereto:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. 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) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(k) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS
**NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A**
QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE

TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.]

[include the following legend on all Notes that are Global Notes:

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

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE AND IS REGISTERED IN THE NAME OF CEDE & CO. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFERS OF THIS GLOBAL NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN NOMINEES OF CEDE & CO. OR 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 SECTION 2.08 OF THE INDENTURE.]

**[FACE OF NOTE]**

**AON CORPORATION**

**FLOATING RATE NOTE DUE 2003**

[CUSIP] [CINS] [ISIN] [_____]

No. ____ Principal Amount $_____

Aon CORPORATION, a Delaware corporation (the "Company", which term

includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to _____, or its registered assigns, the principal sum of _____ ($_____) on January 15, 2003.

Interest Payment Dates: January 15, 2002, April 15, 2002, July 15, 2002, October 15, 2002 and January 15, 2003.

Record Dates: The fifteenth calendar day, whether or not a Business Day, immediately preceding each Interest Payment Date.

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.

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officers.

**Aon CORPORATION**

By:_____
Name:
Title:

By:_____
Name:
Title:

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Floating Rate Notes due 2003 described in the within-mentioned Indenture.

Date: December __, 2001

**THE BANK OF NEW YORK, as Trustee**

By:_____
Authorized Signatory

**[REVERSE SIDE OF NOTE]**

**AON CORPORATION**

**FLOATING RATE NOTE DUE 2003**

1. Principal and Interest.

The Company will pay the principal of this Note on January 15, 2003.

The Company promises to pay interest on the principal amount of this Note on each Interest Payment Date, as set forth below, at the rate per annum equal to 3-month LIBOR plus a Spread of 1.0%, subject to adjustment as described below.

The rate of interest on the Notes will be reset on each Interest Reset Date. The interest rate in effect on any Interest Reset Date will be LIBOR as for that date plus the Spread. The interest rate in effect on each day that is not an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to the immediately preceding Interest Reset Date.

Accrued interest on the Notes with respect to any period is calculated by multiplying the principal amount of the Notes by the interest rate applicable for the Interest Period divided by 360 days multiplied by the actual number of days in the Interest Period. All percentages used in or resulting from any calculation of the rate of interest on the Notes will be rounded, if necessary, to the nearest one-ten-thousandth of a percentage point (.000001), with five one-hundred-thousandths of a percentage point rounded upward, and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent, with one-half cent rounded upward.

Upon the request of any Holder of the Notes, the Calculation Agent will provide the interest rate on the Notes then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to the Notes. Promptly after this interest rate has been provided to the Company, but in any event not later than the Interest Reset Date with respect to each interest period, the Company will furnish such information (or cause it to be furnished) to the Holders of the Notes, along with the start and end dates for such Interest Period and the amount of interest payable for each $1,000 in principal amount.

Interest will be payable quarterly in arrears (to the Holders of record of the Notes at the close of business on the fifteenth calendar day, whether or not a Business Day, immediately preceding the relevant Interest Payment Date) on each Interest Payment Date, commencing January 15, 2002; provided that no interest shall accrue on the principal amount of this Note prior to December 13, 2001.

Interest on the Notes will accrue from, and including, December 13, 2001 to, and excluding, the first Interest Payment Date and then from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the Maturity Date, as the case may be; provided that, if there is no existing default in the payment of interest and this Note is authenticated

between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such Interest Payment Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Interest Rate Adjustment.

In the event that either Moody's or S&P downgrades the rating ascribed to the Company's senior unsecured debt below A3 in the case of Moody's or below A- in the case of S&P, the amount of the Spread applicable to the Notes will be increased by 0.25% for each Rating Category downgrade below the applicable level by either rating agency. If following such an event, Moody's or S&P subsequently increases the rating ascribed to the Company's senior unsecured debt, then the amount of the Spread applicable to the Notes will be decreased by 0.25% for each Rating Category upgrade by either rating agency; provided, however, that in no event will the amount of the Spread with respect to the Notes be reduced to below its initial level as a result of this provision. Any such interest rate increase or decrease will take effect from the Interest Payment Date next following the related rating downgrade or upgrade, as the case may be.

3. Method of Payment.

The Company will pay the first installment of interest on the principal amount of the Notes on January 15, 2003. Thereafter, interest on the principal amount of the Notes will be payable quarterly in arrears on April 15, July 15 and October 15, 2002, and January 15, 2003. The Company pay interest to the persons who are Holders (as reflected in the Security Register at the close of business on the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date), in each case, even if the Note is cancelled on registration of transfer or registration of exchange after such Record Date; provided that, with respect to the payment of principal, the Company will make payment to the Holder that surrenders this Note to a Paying Agent on or after January 15, 2003.

The Company will pay principal and, as provided above, interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. However, the Company may pay principal and interest by its check payable in such money. It may mail an interest check to a Holder's registered address (as reflected in the Security Register). If any Interest Payment Date other than the Maturity Date falls on a day that is not a Business Day, the Company will postpone the Interest Payment Date to the next succeeding Business Day. If the Maturity Date falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after the Maturity Date to the date of such payment on the next succeeding Business Day.

4. Paying Agent, Calculation Agent and Registrar.

Initially, the Trustee will act as authenticating agent, Paying Agent, Calculation Agent and Registrar. The Company may change any authenticating agent, Paying Agent, Calculation Agent or Registrar without notice. The Company, any Subsidiary or any Affiliate of any of them may act as Paying Agent, Registrar or Co-Registrar.

5. Indenture; Limitations.

The Company issued the Notes under an Indenture, dated as of December 13, 2001 (the "Indenture"), between the Company and The Bank of New York, as trustee (the "Trustee"). Capitalized terms herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture shall control.

The Notes are general unsecured obligations of the Company.

The Company may, subject to Article Four of the Indenture and applicable law, issue additional Notes under the Indenture.

6. Redemption.

The Notes are not redeemable prior to the Maturity Date.

7. Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of $1,000 of principal amount and multiples of $1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. Persons Deemed Owners.

A Holder shall be treated as the owner of a Note for all purposes.

9. Unclaimed Money.

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent will pay the money back to the Company at its request. After that, Holders entitled to the money must look to the Company for payment, unless an abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease. In no event will interest accrue on such unclaimed monies.

10. Discharge Prior to Maturity.

If the Company deposits with the Trustee money or U.S. Government Obligations sufficient to pay the then outstanding principal of and accrued and unpaid interest on the Notes (a) to maturity, the Company will be discharged from the Indenture and the Notes, except in certain circumstances for certain provisions thereof, and (b) to the Stated Maturity, the Company will be discharged from certain covenants set forth in the Indenture.

11. Amendment; Supplement; Waiver.

Subject to certain exceptions, (a) the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding and (b) any existing default or compliance with any provision may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding. Without notice to or the consent of any Holder, the parties thereto may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency and make any change that does not materially and adversely affect the rights of any Holder.

12. Restrictive Covenants.

The Indenture imposes certain limitations on the ability of the Company, among other things, to (a) create security interests in the common stock of any Significant Subsidiary to secure debt or (b) merge, consolidate or transfer or lease substantially all of its assets. On or before a date not more than four months after the end of each fiscal year, the Company shall deliver to the Trustee an Officers' Certificate stating whether or not the signers thereof know of any Default or Event of Default under such restrictive covenants.

13. Successor Persons.

When a successor Person or other entity assumes all the obligations of its predecessor under the Notes and the Indenture, the predecessor person will be released from those obligations.

14. Defaults and Remedies.

Any of the following events constitutes an "Event of Default" under the Indenture:

(a) default in the payment of the principal of any of the Notes as and when the same shall become due and payable either at maturity, by declaration or otherwise; or

(b) default in the payment of any installment of interest on any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in this Indenture applicable to the Notes for a period of 90 days after the date on which written notice of such failure, specifying such failure and requiring the Company to remedy the same and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes at the time outstanding; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee,

custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 days; or

(e) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of any order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or shall make any general assignment for the benefit of creditors.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee may, and at the direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall, declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes automatically become due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of at least a majority in principal amount of the Notes then outstanding may direct the Trustee in its exercise of any trust or power.

15. Trustee Dealings with the Company.

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from and perform services for the Company or its Affiliates and may otherwise deal with the Company or its Affiliates as if it were not the Trustee.

16. No Recourse Against Others.

No incorporator or any past, present or future partner, stockholder, other equityholder, officer, director, employee or controlling person, as such, of the Company or of any successor Person shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

17. Authentication.

This Note shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Note.

18. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

19. Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York. The Trustee, the Company and the Holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to the Notes.

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge. Requests may be made to Aon Corporation, 200 East Randolph Street, Chicago, Illinois 60601; Attention: Treasurer.

**[FORM OF TRANSFER NOTICE]**

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

**Insert Taxpayer Identification No.**

---

Please print or typewrite name and address including zip code of assignee

---

the within Note and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

**[THE FOLLOWING PROVISION TO BE INCLUDED
ON ALL NOTES OTHER THAN
UNLEGENDED OFFSHORE GLOBAL NOTES AND
UNLEGENDED OFFSHORE PHYSICAL NOTES]**

In connection with any transfer of this Note occurring prior to the date which is the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933 provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.08 of the Indenture shall have been satisfied.

Date: _____

---

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

**TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.**

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933 and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____

---

NOTICE: To be executed by an executive officer

**EXHIBIT B**

**Form of Certificate**

_____, 200_

The Bank of New York
c/o BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Administration

Re: Aon Corporation (the "Company") Floating Rate Notes due 2003 (the "Notes")

Dear Sirs:

This letter relates to U.S. $_____ principal amount of Notes represented by a Note (the "Legended Note") which bears a legend outlining restrictions upon transfer of such Legended Note. Pursuant to Section 2.02 of the Indenture dated as of December 13, 2001 (the "Indenture") relating to the Notes, we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Notes could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Notes, all in the manner provided for in the Indenture.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Holder]

By:_____ Authorized Signature

**EXHIBIT C**

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

_____, 200_

The Bank of New York
c/o BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Administration

Re: Aon Corporation (the "Company") Floating Rate Notes due 2003 (the "Notes")

Dear Sirs:

In connection with our proposed purchase of $_____ aggregate principal amount of the Notes, we confirm that:

1. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of December 13, 2001 (the "Indenture") relating to the Notes and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act of 1933, amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered, sold, pledged or otherwise transferred except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes within the time period referred to in Rule 144(k) of the Securities Act as in effect on the date of transfer of the Notes, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of an aggregate principal amount of less than $250,000, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

3. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you

and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,
[Name of Transferee]

By:_____ Authorized Signature

**EXHIBIT D**

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

_____, 200_

The Bank of New York
c/o BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Administration

Re: Aon Corporation (the "Company") Floating Rate Notes due 2003 (the "Notes")

Dear Sirs:

In connection with our proposed sale of U.S.$_____ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the Securities Act of 1933 and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States;

(3) no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act of 1933.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[Name of Transferee]

By:_____ Authorized Signature

Exhibit 4(h)

**AON CORPORATION,**
**ISSUER**

**AND**

**THE BANK OF NEW YORK,**
**TRUSTEE**

---

# INDENTURE

**DATED AS OF DECEMBER 13, 2001**

**6.20% NOTES DUE 2007**

TABLE OF CONTENTS


Page
----

ARTICLE ONE
DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.....1
SECTION 1.02. Incorporation by Reference of Trust Indenture Act.....6
SECTION 1.03. Rules of Construction.....6

ARTICLE TWO
THE NOTES

SECTION 2.01. Form and Dating.....7
SECTION 2.02. Restrictive Legends.....8
SECTION 2.03. Execution, Authentication and Denominations.....9
SECTION 2.04. Registrar and Paying Agent.....10
SECTION 2.05. Paying Agent to Hold Money in Trust.....11
SECTION 2.06. Transfer and Exchange.....11
SECTION 2.07. Book-Entry Provisions for Global Notes.....12
SECTION 2.08. Special Transfer Provisions.....13
SECTION 2.09. Replacement Notes.....16
SECTION 2.10. Outstanding Notes.....16
SECTION 2.11. Temporary Notes.....17
SECTION 2.12. Cancellation.....17
SECTION 2.13. CUSIP Numbers.....17
SECTION 2.14. Issuance of Additional Notes.....18

ARTICLE THREE
REDEMPTION

SECTION 3.01. Right of Redemption.....18

ARTICLE FOUR
COVENANTS

SECTION 4.01. Payment of Notes.....18
SECTION 4.02. Maintenance of Office or Agency.....18
SECTION 4.03. Limitation on Liens on Common Stock of Significant Subsidiary..19
SECTION 4.04. Compliance Certificates.....19
SECTION 4.05. Interest Rate Adjustment.....19
SECTION 4.06 Waiver of Certain Covenants.....22

ARTICLE FIVE
SUCCESSOR CORPORATION

SECTION 5.01. When Company May Merge, Etc.....20
SECTION 5.02. Successor Substituted.....21

ARTICLE SIX
DEFAULT AND REMEDIES

SECTION 6.01. Events of Default.....21
SECTION 6.02. Acceleration.....22
SECTION 6.03. Other Remedies.....22
SECTION 6.04. Waiver of Past Defaults.....22
SECTION 6.05. Control by Majority.....23
SECTION 6.06. Payment of Securities on Default; Suit Therefor.....23
SECTION 6.07. Limitation on Suits.....23
SECTION 6.08. Rights of Holders to Receive Payment.....24
SECTION 6.09. Collection Suit by Trustee.....24
SECTION 6.10. Trustee May File Proofs of Claim.....24
SECTION 6.11. Priorities.....25
SECTION 6.12. Undertaking for Costs.....25
SECTION 6.13. Restoration of Rights and Remedies.....25
SECTION 6.14. Rights and Remedies Cumulative.....25
SECTION 6.15. Delay or Omission Not Waiver.....26

ARTICLE SEVEN
TRUSTEE

SECTION 7.01. General.....26
SECTION 7.02. Certain Rights of Trustee.....26
SECTION 7.03. Individual Rights of Trustee.....27
SECTION 7.04. Trustee's Disclaimer.....27
SECTION 7.05. Notice of Default.....28
SECTION 7.06. Reports by Trustee to Holders.....28
SECTION 7.07. Compensation and Indemnity.....28
SECTION 7.08. Replacement of Trustee.....29
SECTION 7.09. Successor Trustee by Merger, Etc.....30
SECTION 7.10. Eligibility.....30
SECTION 7.11. Money Held in Trust.....30

ARTICLE EIGHT
DISCHARGE OF INDENTURE

SECTION 8.01. Termination of Company's Obligations.....30
SECTION 8.02. Defeasance and Discharge of Indenture.....31
SECTION 8.03. Defeasance of Certain Obligations.....32
SECTION 8.04. Application of Trust Money.....33
SECTION 8.05. Repayment to Company.....33
SECTION 8.06. Reinstatement.....34

ARTICLE NINE
AMENDMENTS, SUPPLEMENTS AND WAIVERS


SECTION 9.01. Without Consent of Holders.....34
SECTION 9.02. With Consent of Holders.....35
SECTION 9.03. Action by Holders; Record Dates.....38
SECTION 9.04. Revocation and Effect of Consent.....36
SECTION 9.05. Notation on or Exchange of Notes.....36
SECTION 9.06. Trustee to Sign Amendments, Etc.....37
SECTION 9.07. Conformity with Trust Indenture Act.....37


ARTICLE Ten
MEETINGS OF THE HOLDERS


SECTION 10.01. Purposes of Meetings.....40
SECTION 10.02. Call of Meetings by Trustee.....40
SECTION 10.03. Call of Meetings by Company or Holders.....41
SECTION 10.04. Qualification for Voting.....41
SECTION 10.05 Regulations.....41
SECTION 10.06 Voting.....41


ARTICLE ELEVEN
MISCELLANEOUS


SECTION 11.01. Trust Indenture Act of 1939.....39
SECTION 11.02. Notices.....39
SECTION 11.03. Certificate and Opinion as to Conditions Precedent.....40
SECTION 11.04. Statements Required in Certificate or Opinion.....41
SECTION 11.05. Rules by Trustee, Paying Agent or Registrar.....41
SECTION 11.06. Payment Date Other Than a Business Day.....41
SECTION 11.07. Governing Law.....41
SECTION 11.08. No Adverse Interpretation of Other Agreements.....41
SECTION 11.09. No Recourse Against Others.....41
SECTION 11.10. Successors.....42
SECTION 11.11. Duplicate Originals.....42
SECTION 11.12. Separability.....42
SECTION 11.13. Table of Contents, Headings, Etc.....42
SECTION 11.14 Counterparts.....42

EXHIBIT A Form of Note.....A-1
EXHIBIT B Form of Certificate.....B-1
EXHIBIT C Form of Certificate to Be Delivered in Connection with Transfers Pursuant to Non-QIB Institutional Accredited Investors.....C-1
EXHIBIT D Form of Certificate to Be Delivered in Connection with Transfers Pursuant to Regulation S.....D-1

INDENTURE, dated as of December 13, 2001, between Aon CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Trustee").

**RECITALS**

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Company's 6.20% Notes due 2007 (the "Notes") issuable as provided in this Indenture. All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done, and the Company has done all things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee hereunder and duly issued by the Company, valid obligations of the Company as hereinafter provided.

This Indenture is subject to, and shall be governed by, the provisions of the Trust Indenture Act of 1939, as amended, that are required to be a part of and to govern indentures qualified under the Trust Indenture Act of 1939, as amended.

**AND THIS INDENTURE FURTHER WITNESSETH**

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders, as follows.

**ARTICLE ONE**

**DEFINITIONS AND INCORPORATION BY REFERENCE**

SECTION 1.01 Definitions.

"Affiliate" has the meaning provided in Rule 405 of the Securities Act.

"Agent" means any Registrar, Co-Registrar, Paying Agent or authenticating agent.

"Agent Members" has the meaning provided in Section 2.07(a).

"Authorized Newspaper" means a newspaper in an official language of the country of publication of general circulation in the place in connection with which the term is used. If it shall be impractical in the opinion of the Trustee to make any publication of any notice required hereby in an Authorized Newspaper, any publication or other notice in lieu thereof which is made or given with the approval of the Trustee shall constitute a sufficient publication of such notice.

"Board of Directors" means the Board of Directors of the Company or any committee of such Board of Directors duly authorized to act under this Indenture.

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

"Business Day" means any day except a Saturday, Sunday or legal holiday on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

"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 instrument such Commission is not existing and performing the duties now assigned to it under the TIA, then the body performing such duties at such time.

"Company" means the party named as such in the first paragraph of this Indenture until a successor replaces it pursuant to Article Five of this Indenture and thereafter means the successor.

"Company Order" means a written request or order signed in the name of the Company (i) by its Chairman, a Vice Chairman, its President or a Vice President and (ii) by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary and delivered to the Trustee; provided, however, that such written request or order may be signed by any two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause
(ii) above.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date of this Indenture, located at 101 Barclay Street, Floor 21W, New York, New York 10286, Attention:
Corporate Trust Department.

"Default" means an event or condition the occurrence of which is, or with the lapse of time or giving of notice or both would be, an Event of Default.

"Depositary" means The Depository Trust Company, its nominees, and their respective successors.

"Event of Default" has the meaning provided in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934.

"Exchange Notes" means any securities of the Company containing terms identical to the Notes (except that such Exchange Notes shall be registered under the Securities Act) that are issued and exchanged for the Notes pursuant to the Registration Rights Agreement and this Indenture.

"Global Notes" has the meaning provided in Section 2.01.

"Holder" or "Noteholder" means the registered holder of any Note.

"Indenture" means this Indenture as originally executed or as it may be amended or supplemented from time to time by one or more indentures supplemental to this Indenture entered into pursuant to the applicable provisions of this Indenture.

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

"Interest Payment Date" means January 15 and July 15 of each year, commencing July 15, 2002.

"Maturity Date" means January 15, 2007.

"Moody's" means Moody's Investors Service.

"Non-U.S. Person" means a person who is not a "U.S. person" (as defined in Regulation S).

"Notes" means any of the securities, as defined in the first paragraph of the recitals hereof, that are authenticated and delivered under this Indenture. For all purposes of this Indenture, the term "Notes" shall include the Notes initially issued on the Closing Date, any Exchange Notes to be issued and exchanged for any Notes pursuant to the Registration Rights Agreement and this Indenture and any other Notes issued after the Closing Date under this Indenture. For purposes of this Indenture, all Notes shall vote together as one series of Notes under this Indenture.

"Officer" means, with respect to the Company, (i) the Chairman of the Board, the Chief Executive Officer, the President, any Vice President or the Chief Financial Officer, and (ii) the Treasurer or any Assistant Treasurer, or the Secretary or any Assistant Secretary.

"Officers' Certificate" means a certificate signed by one Officer listed in clause (i) of the definition thereof and one Officer listed in clause (ii) of the definition thereof or two officers listed in clause (i) of the definition thereof. Each Officers' Certificate (other than certificates provided pursuant to TIA Section 314(a)(4)) shall include the statements provided for in TIA Section 314(e).

"Offshore Global Notes" has the meaning provided in Section 2.01.

"Offshore Physical Notes" has the meaning provided in Section 2.01.

"Opinion of Counsel" means a written opinion signed by legal counsel, who may be an employee of or counsel to the Company, that meets the requirements of Section 11.04 hereof. Each such Opinion of Counsel shall include the statements provided for in TIA Section 314(e).

"Paying Agent" has the meaning provided in Section 2.04, except that, for the purposes of Article Eight, the Paying Agent shall not be the Company or a Subsidiary of the Company or an Affiliate of any of them. The term "Paying Agent" includes any additional Paying Agent.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Physical Notes" has the meaning provided in Section 2.01.

"principal" of a debt security, including the Notes, means the principal amount due on the Stated Maturity as shown on such debt security.

"Private Placement Legend" means the legend initially set forth on the Notes in the form set forth in Section 2.02.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Rating Category" means the difference between a particular rating assigned by either Moody's or S&P and the next higher or lower rating. For example, and without limiting the generality of the foregoing, in the case of Moody's the difference between Baa1 and Baa2 shall constitute one Rating Category and in the case of S&P the difference between BBB+ and BBB shall constitute one Rating Category.

"Record Date" for the interest payable on any Interest Payment Date means the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date.

"Registrar" has the meaning provided in Section 2.04.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of December 13, 2001, between the Company and Morgan Stanley & Co. Incorporated.

"Registration Statement" means the Registration Statement as defined and described in the Registration Rights Agreement.

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

"Responsible Officer," when used with respect to the Trustee, means any officer within the corporate trust department of the trustee, including any vice president, any assistant vice president, any assistant treasurer, any trust officer or assistant trust officer or any other officer of the Trustee in its corporate trust department customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

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

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

"S&P" means Standard & Poor's Ratings Services.

"Securities Act" means the Securities Act of 1933.

"Security Register" has the meaning provided in Section 2.04.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"Significant Subsidiary" means, with respect to the Company, a "significant subsidiary" as defined in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Stated Maturity" means the date specified in the Notes as the fixed date on which the principal amount thereof or any installment of interest thereon is due and payable.

"Subsidiary" means, with respect to any Person, (i) any corporation of which at least a majority in interest of the outstanding capital stock having by the terms thereof voting power under ordinary circumstances to elect directors of such corporation, irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency, is at the time, directly or indirectly, owned or controlled by such Person, or by one or more other corporations a majority in interest of such stock of which is similarly owned or controlled or by such Person and one or more other corporations a majority in interest of such stock of which is similarly owned or controlled, or (ii) any other Person (other than a corporation) in which such Person, directly or indirectly, at the date of determination thereof, has at least a majority equity ownership interest.

"TIA" or "Trust Indenture Act" means the Trust Indenture Act of 1939 (15 U.S. Code ss.ss. 77aaa-77bbbb), as in effect on the date this Indenture was executed, except as provided in Section 9.07.

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

"United States Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and as codified in Title 11 of the United States Code, as amended from time to time hereafter, or any successor federal bankruptcy law.

"U.S. Global Notes" has the meaning provided in Section 2.01.

"U.S. Government Obligations" means securities that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not

authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"U.S. Physical Notes" means the Notes issued in the form of permanent certificated Notes in registered form in substantially the form set forth in Exhibit A to Institutional Accredited Investors which are not QIBs (excluding Non-U.S. Persons) who purchased Notes pursuant to an exemption from registration under the Securities Act.

SECTION 1.02. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, the provision 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;

"indenture security holder" means a Holder or a Noteholder;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

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

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

SECTION 1.03. Rules of Construction. Unless the context otherwise requires:

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

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with accounting principles generally accepted in the United States in effect on the date of this Indenture;

(iii) "or" is not exclusive;

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

(v) provisions apply to successive events and transactions;

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

(vii) all references to Sections or Articles refer to Sections or Articles of this Indenture unless otherwise indicated.

## ARTICLE TWO

## THE NOTES

SECTION 2.01. Form and Dating. The Notes and the Trustee's certificate of authentication shall be substantially in the form annexed hereto as Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange agreements to which the Company is subject or usage. The Company shall approve the form of the Notes and any notation, legend or endorsement on the Notes. Each Note shall be dated the date of its authentication.

The terms and provisions contained in the form of the Notes annexed hereto as Exhibit A shall constitute, and are hereby expressly made, a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Notes offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more permanent global Notes in registered form, substantially in the form set forth in Exhibit A (the "U.S. Global Notes"), registered in the name of the nominee of the Depositary, deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the U.S. Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, in accordance with the instructions given by the Holder thereof, as hereinafter provided.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more permanent global Notes in registered form substantially in the form set forth in Exhibit A (the "Offshore Global Notes"), registered in the name of the nominee of the Depositary, deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Offshore Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Notes issued pursuant to Section 2.07 in exchange for interests in the Offshore Global Notes shall be in the form of permanent certificated Notes in registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Notes").

The Offshore Physical Notes and U.S. Physical Notes are sometimes collectively herein referred to as the "Physical Notes." The U.S. Global Notes and the Offshore Global Notes are sometimes referred to herein as the "Global Notes."

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Officers executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.02. Restrictive Legends. Unless and until a Note is exchanged for an Exchange Note or sold in connection with an effective Registration Statement pursuant to the Registration Rights Agreement, (i) the U.S. Global Notes and U.S. Physical Notes shall bear the legend set forth below on the face thereof and (ii) the Offshore Physical Notes and Offshore Global Notes shall bear the legend set forth below on the face thereof until at least the 41st day after the Closing Date and receipt by the Company and the Trustee of a certificate substantially in the form of Exhibit B hereto.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. 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) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(k) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS

LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

Each Global Note, whether or not an Exchange Note, shall also bear the following legend on the face thereof:

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

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE AND IS REGISTERED IN THE NAME OF CEDE & CO. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFERS OF THIS GLOBAL NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN NOMINEES OF CEDE & CO. OR 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 SECTION 2.08 OF THE INDENTURE.

SECTION 2.03. Execution, Authentication and Denominations. Subject to Article Four and applicable law, the aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is unlimited. The Notes shall be executed by two Officers of the

Company. The signature of these Officers on the Notes may be by facsimile or manual signature in the name and on behalf of the Company.

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

A Note shall not be valid until the Trustee or authenticating agent manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

At any time and from time to time after the execution of this Indenture, the Trustee or an authenticating agent shall upon receipt of a Company Order authenticate for original issue Notes in the aggregate principal amount specified in such Company Order; provided that the Trustee shall be entitled to receive an Officers' Certificate and an Opinion of Counsel of the Company in connection with such authentication of Notes. Such Company Order shall specify the amount of Notes to be authenticated and the date on which the original issue of Notes is to be authenticated and, in case of an issuance of Notes pursuant to Section 2.14, shall certify that such issuance is in compliance with Article Four.

The Trustee may appoint an authenticating agent to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such authenticating agent. An authenticating agent has the same rights as an Agent to deal with the Company or an Affiliate of the Company.

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

SECTION 2.04. Registrar and Paying Agent. The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar"), an office or agency where Notes may be presented for payment (the "Paying Agent") and an office or agency where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served, which shall be in the Borough of Manhattan, The City of New York. The Company shall cause the Registrar to keep a register of the Notes and of their transfer and exchange (the "Security Register"). The Security Register shall be in written form or any other form capable of being converted into written form within a reasonable time. The Company may have one or more Co-Registrars and one or more additional Paying Agents.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall give prompt written notice to the Trustee of the name and address of any such Agent and any change in the address of such Agent. If the Company fails to maintain a Registrar, Paying Agent and/or agent for service of notices and demands, the Trustee shall act as such Registrar, Paying Agent and/or agent for service of notices and demands. The Company may remove any Agent upon written notice to such Agent and the Trustee; provided that no such removal shall become effective until (i) the acceptance of an appointment by a successor Agent to such Agent as evidenced by an appropriate agency

agreement entered into by the Company and such successor Agent and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as such Agent until the appointment of a successor Agent in accordance with clause (i) of this proviso. The Company, any Subsidiary of the Company or any Affiliate of any of them may act as Paying Agent, Registrar or Co-Registrar, and/or agent for service of notice and demands.

The Company initially appoints the Trustee as Registrar, Paying Agent, authenticating agent and agent for service of notice and demands. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee as of each Record Date and at such other times as the Trustee may reasonably request the names and addresses of Holders as they appear in the Security Register, including the aggregate principal amount of Notes held by each Holder.

SECTION 2.05. Paying Agent to Hold Money in Trust. Not later than 10:00 a.m. (New York City time) on each due date of any principal of or interest on any Notes, the Company shall deposit with the Paying Agent money in immediately available funds sufficient to pay such principal and interest so becoming due. The Company shall require each Paying Agent other than the Trustee to agree in writing that such 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 of and interest on the Notes (whether such money has been paid to it by the Company or any other obligor on the Notes), and such Paying Agent shall promptly notify the Trustee of any default by the Company (or any other obligor on the Notes) in making any such payment. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed, and the Trustee may at any time during the continuance of any payment default, upon written request to a Paying Agent, require such Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon doing so, the Paying Agent shall have no further liability for the money so paid over to the Trustee. If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, it will, on or before each due date of any principal of or interest on the Notes, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such principal or interest so becoming due until such sum of money shall be paid to such Holders or otherwise disposed of as provided in this Indenture, and will promptly notify the Trustee of its action or failure to act.

SECTION 2.06. Transfer and Exchange. The Notes are issuable only in registered form. A Holder may transfer a Note only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Security Register. Prior to the registration of any transfer by a Holder as provided herein, the Company, the Trustee and any agent of the Company shall treat the person in whose name the Note is registered as the owner thereof for all purposes whether or not the Note shall be overdue, and none of the Company, the Trustee or any such agent shall be affected by notice to the contrary. Furthermore, any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book entry system maintained by the Holder of such Global Note (or its agent) and that ownership of a beneficial interest in the

Note shall be required to be reflected in a book entry. When Notes are presented to the Registrar or a Co-Registrar with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations (including an exchange of Notes for Exchange Notes), the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including that such Notes are duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and Registrar duly executed by the Holder thereof or by an attorney who is authorized in writing to act on behalf of the Holder); provided that no exchanges of Notes for Exchange Notes shall occur until a Registration Statement shall have been declared effective by the Commission and that any Notes that are exchanged for Exchange Notes shall be cancelled by the Trustee. To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's request. No service charge shall be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or other similar governmental charge payable upon exchanges pursuant to Section 2.11 or 9.05).

SECTION 2.07. Book-Entry Provisions for Global Notes.

(a) The U.S. Global Notes and Offshore Global Notes initially shall (i) be registered in the name of the Depositary for such Global Notes or the nominee of such Depositary, (ii) be delivered to the Trustee as custodian for such Depositary and (iii) bear legends as set forth in Section 2.02.

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

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in Global Notes may be transferred in accordance with the rules and procedures of the Depositary and the provisions of Section 2.08. In addition, U.S. Physical Notes and Offshore Physical Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in the U.S. Global Notes or the Offshore Global Notes, as the case may be, if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the U.S. Global Notes or the Offshore Global Notes, as the case may be, and a successor depositary is not appointed by the Company within 90 days of such notice, (ii) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depositary or (iii) in accordance with the rules and procedures of the Depositary and the provisions of Section 2.08.

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

(d) In connection with any transfer of a portion of the beneficial interests in a Global Note to beneficial owners pursuant to paragraph (b) of this Section 2.07, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in such Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes or Offshore Physical Notes, as the case may be, of like tenor and amount.

(e) In connection with the transfer of the U.S. Global Notes or the Offshore Global Notes, in whole, to beneficial owners pursuant to paragraph (b) of this Section 2.07, the U.S. Global Notes or Offshore Global Notes, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in the U.S. Global Notes or Offshore Global Notes, as the case may be, an equal aggregate principal amount of U.S. Physical Notes or Offshore Physical Notes, as the case may be, of authorized denominations.

(f) Any U.S. Physical Note delivered in exchange for an interest in the U.S. Global Notes pursuant to paragraph (b), (d) or (e) of this Section 2.07 shall, except as otherwise provided by paragraph (h) of Section 2.08, bear the legend regarding transfer restrictions applicable to the U.S. Physical Note set forth in Section 2.02.

(g) Any Offshore Physical Note delivered in exchange for an interest in the Offshore Global Notes pursuant to paragraph (b), (d) or (e) of this Section 2.07 shall, except as otherwise provided by paragraph (h) of Section 2.08, bear the legend regarding transfer restrictions applicable to the Offshore Physical Note set forth in Section 2.02.

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

SECTION 2.08. Special Transfer Provisions. Unless and until a Note is exchanged for an Exchange Note or sold in connection with an effective Registration Statement pursuant to the Registration Rights Agreement, the following provisions shall apply:

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

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act or (y) the proposed transferee has delivered to the Registrar (A) a certificate substantially in the form of Exhibit C hereto and (B) if the aggregate principal amount of the Notes being transferred is less than $250,000, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Notes, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) above and (y) instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Notes in an amount equal to the principal amount of the beneficial interest in the U.S. Global Notes to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of like tenor and amount.

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

(i) If the Note to be transferred consists of (x) either Offshore Physical Notes prior to the removal of the Private Placement Legend or U.S. Physical Notes, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A or (y) an interest in the U.S. Global Notes, the transfer of such interest may be effected only through the book-entry system maintained by the Depositary.

(ii) If the proposed transferee is an Agent Member, and the Note to be transferred consists of U.S. Physical Notes, upon receipt by the Registrar of the documents referred to in paragraph (i) above and instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of U.S. Global Notes in an amount equal to the principal amount of the U.S. Physical

Notes to be transferred, and the Trustee shall cancel the U.S.

Physical Notes so transferred.

(c) Transfers of Interests in the Offshore Global Notes or
Offshore Physical Notes. The following provisions shall apply with respect to any transfer of interests in Offshore Global Notes or Offshore Physical Notes:

(i) prior to the removal of the Private Placement Legend from the Offshore Global Notes or Offshore Physical Notes pursuant to Section 2.02, the Registrar shall refuse to register such transfer unless such transfer complies with
Section 2.08(b) or Section 2.08(d), as the case may be, and

(ii) after such removal, the Registrar shall register the transfer of any such Note without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at Any Time. The following provisions shall apply with respect to any transfer of a Note to a Non-U.S. Person:

(i) The Registrar shall register any proposed transfer to any Non-U.S. Person if the Note to be transferred is a U.S. Physical Note or an interest in U.S. Global Notes, upon receipt of a certificate substantially in the form of Exhibit D hereto from the proposed transferor.

(ii) (a) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Notes, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Notes in an amount equal to the principal amount of the beneficial interest in the U.S. Global Notes to be transferred, and (b) if the proposed transferee is an Agent Member, upon receipt by the Registrar of instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Notes in an amount equal to the principal amount of the U.S. Physical Notes or the U.S. Global Notes, as the case may be, to be transferred, and the Trustee shall cancel the Physical Note, if any, so transferred or decrease the amount of the U.S. Global Notes.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) the Private Placement Legend is no longer required by Section 2.02, (ii) the circumstances contemplated by paragraph (a)(i)(x) of this Section 2.08 exist or (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such

legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.07 or this Section 2.08. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

SECTION 2.09. Replacement Notes. If a mutilated Note is surrendered to the Trustee or if the Holder claims that the Note has been lost, destroyed or wrongfully taken, then, in the absence of notice to the Company or the Trustee that such Note has been acquired by a bona fide purchaser, the Company shall issue and the Trustee shall authenticate a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding; provided that the requirements of this Section 2.09 are met. If required by the Trustee or the Company, an indemnity bond must be furnished that is sufficient in the judgment of both the Trustee and the Company to protect the Company, the Trustee or any Agent from any loss that any of them may suffer if a Note is replaced. The Company may charge such Holder for its expenses and the expenses of the Trustee in replacing a Note. In case any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Company and shall be entitled to the benefits of this Indenture.

SECTION 2.10. Outstanding Notes. Notes outstanding at any time are all Notes that have been authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section 2.10 as not outstanding.

If a Note is replaced pursuant to Section 2.09, it ceases to be outstanding unless and until the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a bona fide purchaser.

If the Paying Agent (other than the Company or an Affiliate of the Company) holds on the Maturity Date money sufficient to pay Notes payable on that date, then on and after that date such Notes cease to be outstanding and interest on them shall cease to accrue.

A Note does not cease to be outstanding because the Company or one of its Affiliates holds such Note, provided, however, that in determining whether the Holders of the requisite principal amount of the outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Responsible Officer of the Trustee has actual knowledge to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor.

SECTION 2.11. Temporary Notes. Until definitive Notes are ready for delivery, the Company may prepare and execute and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have insertions, substitutions, omissions and other variations determined to be appropriate by the Officers executing the temporary Notes, as evidenced by their execution of such temporary Notes. If temporary Notes are issued, the Company will cause definitive Notes to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes shall be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency of the Company designated for such purpose pursuant to Section 4.02, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 2.12. Cancellation. The Company at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee for cancellation any Notes previously authenticated hereunder which the Company has not issued and sold. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Trustee shall cancel all Notes surrendered for transfer, exchange, payment or cancellation and shall dispose of them in accordance with its normal procedure.

SECTION 2.13. CUSIP Numbers. The Company in issuing the Notes may use "CUSIP", "CINS" or "ISIN" numbers (if then generally in use), and the Company and the Trustee shall use CUSIP, CINS or ISIN numbers, as the case may be, in notices of exchange as a convenience to Holders; provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of exchange and that reliance may be placed only on the other identification numbers printed on

the Notes. The Company shall promptly notify the Trustee of any change in "CUSIP", "CINS" or "ISIN" numbers for the Notes.

SECTION 2.14. Issuance of Additional Notes. The Company may, subject to Article Four of this Indenture and applicable law, issue additional Notes under this Indenture. The Notes issued on the Closing Date and any additional Notes subsequently issued shall be treated as a single class for all purposes under this Indenture.

## ARTICLE THREE

## REDEMPTION

SECTION 3.01. Right of Redemption. The Notes are not redeemable prior to the Maturity Date.

## ARTICLE Four

## COVENANTS

SECTION 4.01. Payment of Notes. The Company shall pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and this Indenture. An installment of principal or interest shall be considered paid on the date due if the Trustee or Paying Agent (other than the Company, a Subsidiary of the Company or any Affiliate of any of them) holds on that date money designated for and sufficient to pay the installment. If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, an installment of principal or interest shall be considered paid on the due date if the entity acting as Paying Agent complies with the last sentence of Section 2.05. As provided in Section 6.10, upon any bankruptcy or reorganization procedure relative to the Company, the Trustee shall serve as the Paying Agent, if any, for the Notes.

SECTION 4.02. Maintenance of Office or Agency. So long as any of the Notes shall remain outstanding, the Company will maintain in the Borough of Manhattan, The City of New York an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 11.02.

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

notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby initially designates the Corporate Trust Office of the Trustee as such office of the Company in accordance with Section 2.04.

SECTION 4.03. Limitation on Liens on Common Stock of Significant Subsidiary. So long as any of the Notes shall remain outstanding, the Company will not, directly or indirectly, create, issue, assume, incur or guarantee any indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or other encumbrance of any nature on any of the present or future common stock of any Significant Subsidiary (or any company, other than the Company, having direct or indirect control of any Significant Subsidiary), which common stock is directly or indirectly owned by the Company, unless the Notes (together with, if the Company so determines, any other indebtedness for money borrowed of the Company then existing or thereafter created which is not subordinate to the Notes) shall be secured equally and ratably with (or, at the option of the Company, prior to) such other secured indebtedness for money borrowed so long as such indebtedness shall be secured.

SECTION 4.04. Compliance Certificates. The Company shall deliver to the Trustee on or before a date not more than four months after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate signed by the Company's chief financial officer, principal executive officer or principal accounting officer stating whether or not the signers have knowledge of any Default or Event of Default. If any of the Officers of the Company signing such certificate has knowledge of such a Default or Event of Default, the Officers' Certificate shall describe any such Default or Event of Default and the nature thereof.

SECTION 4.05. Interest Rate Adjustment.

(a) In the event that either Moody's or S&P downgrades the credit rating ascribed to the Company's senior unsecured debt below A3 in the case of Moody's or below A- in the case of S&P, the interest rate payable on the Notes will be increased by 0.25% for each Rating Category downgrade below the applicable level by each rating agency.

(b) If following an event described in Section 4.05(a), Moody's or S&P subsequently increases the rating ascribed to the Company's senior unsecured debt, then the interest rate payable on the Notes will be decreased by 0.25% for each Rating Category upgrade by either rating agency, provided, however, that in no event will the interest rate payable on the Notes be reduced to below the initial interest rate as a result of this Section 4.05(b).

(c) Any such interest rate increase or decrease will take effect commencing on the Interest Payment Date next following the related rating downgrade or upgrade, as the case may be, subject to the further adjustments and limitations set forth under Section 4.05(b). There is no limit to the number of times the interest rate payable on the Notes can be adjusted.

(d) The Company shall promptly provide the Trustee and the Holders of the Notes written notice of any event described in Sections 4.05(a) or 4.05(b) in accordance with the procedures set forth in Section 11.02.

SECTION 4.06. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any term, provision or condition set forth in
Section 4.03 if before the time for such compliance the Holders of at least a majority in aggregate principal amount of the Notes shall, by action of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision 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 term, provision or condition shall remain in full force and effect.

## ARTICLE FIVE

## SUCCESSOR CORPORATION

SECTION 5.01. When Company May Merge, Etc. So long as any Notes shall be outstanding, the Company shall not consolidate with or merge into any other Person or sell, convey, transfer or lease its properties and assets substantially as an entirety to any Person unless:

(a) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, the due and punctual payment of the principal of and interest on the Notes and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company as a result of such transaction as having been incurred by the Company at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(c) if, as a result of any such consolidation or merger or such sale, conveyance, transfer, lease or other disposition, properties or assets of the Company would become subject to a mortgage, pledge, lien, security interest or other encumbrance of any nature which would not be permitted by this Indenture, the Company or such successor corporation or such Person, firm or corporation, as the case may be, shall take such steps as shall be necessary effectively to secure the Notes (together with, if the Company so determines, any other indebtedness for money borrowed of the Company then existing or thereafter created which is not subordinate to the Notes) equally and ratably with (or, at the option of the Company, prior to) all indebtedness secured thereby; and

(d) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance, transfer, lease or

other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article Five and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 5.02. Successor Substituted. Upon any consolidation or merger, or any sale, conveyance, transfer, lease or other disposition of all or substantially all of the property and assets of the Company in accordance with
Section 5.01 of this Indenture, the successor Person formed by such consolidation or into which the Company is merged or to which such sale, conveyance, transfer, lease or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; provided that the Company shall not be released from its obligation to pay the principal of or interest on the Notes in the case of a lease of all or substantially all of its property and assets.

## ARTICLE SIX

## DEFAULT AND REMEDIES

SECTION 6.01. Events of Default. Any of the following events shall constitute an "Event of Default" hereunder:

(a) default in the payment of the principal of any of the Notes as and when the same shall become due and payable either at maturity, by declaration or otherwise; or

(b) default in the payment of any installment of interest on any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in this Indenture applicable to the Notes for a period of 90 days after the date on which written notice of such failure, specifying such failure and requiring the Company to remedy the same and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes at the time outstanding; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 days; or

(e) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of any order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or

similar official) of the Company or for any substantial part of its property, or shall make any general assignment for the benefit of creditors.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default specified in clause (d) or (e) of Section 6.01 that occurs with respect to the Company) occurs and is continuing under this Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, declare the principal of and accrued and unpaid interest on all the Notes to be immediately due and payable, any provision of this Indenture or the Notes to the contrary notwithstanding. Upon a declaration of acceleration, such principal and accrued and unpaid interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in clause (c) of Section 6.01 has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (c) shall be remedied or cured by the Company or waived by the Holders within 60 days after the declaration of acceleration with respect thereto. If an Event of Default specified in clause (d) or (e) of Section 6.01 occurs with respect to the Company, the principal and accrued and unpaid interest on the Notes then outstanding shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

At any time after such declaration of acceleration, but before a judgment or decree for the payment of the money due has been obtained by the Trustee, the Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee, may waive all past Defaults and rescind and annul a declaration of acceleration 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 hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Notes, and (iii) the principal of any Notes that have become due otherwise than by such declaration or occurrence of acceleration and interest thereon at the rate prescribed therefor by such Notes, (b) all existing Events of Default, other than the non-payment of the principal of and accrued and unpaid interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (c) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may, and at the direction of the Holders of at least a majority in principal amount of the outstanding Notes shall, pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

SECTION 6.04. Waiver of Past Defaults. Subject to Sections 6.02, 6.08 and 9.02, the Holders of at least a majority in principal amount of the outstanding Notes, by notice to the Trustee, may waive an existing Default or Event of Default and its consequences, except a

Default in the payment of principal of or interest on any Note as specified in clause (a) or (b) of Section 6.01 or in respect of a covenant or provision of this Indenture which cannot be modified or amended without the consent of the Holder of each outstanding Note affected. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 6.05. Control by Majority. The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided that the Trustee may refuse to follow any direction if the Trustee, being advised by counsel, determines that the actions or proceedings so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors or trustees and/or responsible officers shall determine that the actions or proceedings so directed would involve the Trustee in personal liability; and provided further, that the Trustee may take any other action it deems proper that is not inconsistent with any such direction received from Holders of Notes.

SECTION 6.06. Payment of Securities on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Notes, as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or (b) in case default shall be made in the payment of principal of any of the Notes, as and when the same shall have become due and payable, whether upon maturity of the Notes or upon declaration or otherwise, then upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the Holders, the whole amount that then shall have become due and payable on all of the Notes, for principal or interest, if any, as the case may be, with interest upon the overdue principal and (to the extent that payment of such interest is enforceable under applicable law), upon overdue installments of interest, if any, at the same rate as the rate of interest specified in the Notes; and, in addition thereto, such further amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

SECTION 6.07. Limitation on Suits. A Holder may not institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least 25% in aggregate principal amount of outstanding Notes shall have made a written request to the Trustee to pursue such remedy;

(iii) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

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

For purposes of Section 6.05 of this Indenture and this Section 6.07, the Trustee shall comply with TIA Section 316(a) in making any determination of whether the Holders of the required aggregate principal amount of outstanding Notes have concurred in any request or direction of the Trustee to pursue any remedy available to the Trustee or the Holders with respect to this Indenture or the Notes or otherwise under the law.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder.

SECTION 6.08. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of the principal of or interest on such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, shall not be impaired or affected without the consent of such Holder.

SECTION 6.09. Collection Suit by Trustee. If an Event of Default in payment of principal or interest specified in clause (a) or (b) of Section 6.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company or any other obligor of the Notes for the whole amount of principal and accrued interest remaining unpaid, together with interest on overdue principal, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.10. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor of the Notes), its creditors or its property and shall be entitled and empowered to collect and receive any monies, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. Nothing herein contained shall be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes

or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.11. Priorities. If the Trustee collects any money pursuant to this Article Six, it shall pay out the money in the following order:

First: to the payment of all reasonable costs and expenses applicable to such collection, reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith;

Second: to Holders for amounts then due and unpaid for principal of and interest on the Notes in respect of which or for the benefit of which such money has been collected, with interest upon the overdue installments of interest, to the extent lawful, at the same rate as the rate of interest on the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for principal and interest, respectively; and

Third: to the Company or any other obligors of the Notes, as their interests may appear, or as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.11.

SECTION 6.12. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.12 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.08, or a suit by Holders of more than 10% in principal amount of the outstanding Notes.

SECTION 6.13. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Company, Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 6.14. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or

otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.15. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

## ARTICLE SEVEN

## TRUSTEE

SECTION 7.01. General. The duties and responsibilities of the Trustee shall be as provided by the TIA and as set forth herein. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article Seven.

SECTION 7.02. Certain Rights of Trustee. Subject to TIA Sections 315(a) through (d):

(i) the Trustee may conclusively rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper person;

(ii) before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, which shall conform to Section 11.04. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion;

(iii) the Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder;

(iv) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction;

(v) the Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers, provided that the Trustee's conduct does not constitute negligence or bad faith;

(vi) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officers' Certificate;

(vii) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company personally or by agent or attorney;

(viii) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon;

(ix) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture;

(x) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder; and

(xi) the Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of Officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any Person authorized to sign an Officers' Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

SECTION 7.03. Individual Rights of Trustee. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not the Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to TIA Sections 310(b) and 311.

SECTION 7.04. Trustee's Disclaimer. The Trustee (i) makes no representation as to the validity or adequacy of this Indenture or the Notes, (ii) shall not be accountable for

the Company's use or application of the proceeds from the Notes and (iii) shall not be responsible for any statement in the Notes other than its certificate of authentication.

SECTION 7.05. Notice of Default. If any Default or any Event of Default occurs and is continuing and if such Default or Event of Default is known to a Responsible Officer of the Trustee, the Trustee shall mail to each Holder in the manner and to the extent provided in TIA Section 313(c) notice of the Default or Event of Default within 45 days after it occurs, unless such Default or Event of Default has been cured; provided, however, that, except in the case of a default in the payment of the principal of or interest on any Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders.

SECTION 7.06. Reports by Trustee to Holders. Within 60 days after each July 15, beginning with July 15, 2002, the Trustee shall mail to each Holder as provided in TIA Section 313(c) a brief report, if and as required by TIA Section 313(a), dated as of such July 15.

A copy of each report at the time of its mailing to the Holders of Securities shall be mailed to the Company and filed with the Commission and each stock exchange on which the Securities are listed in accordance with TIA Section 313(d). The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange or of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee such compensation as shall be agreed upon in writing for its services hereunder. The compensation of the Trustee shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable disbursements, expenses and advances incurred or made by the Trustee without negligence or bad faith on its part. Such expenses shall include the reasonable compensation and expenses of the Trustee's agents and counsel.

The Company shall indemnify the Trustee and any predecessor trustee for, and hold it harmless against, any and all loss or liability or expense incurred by it without negligence or bad faith on its part in connection with the acceptance or administration of this Indenture and its duties under this Indenture and the Notes, including the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Indenture and the Notes. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder, unless the Company is materially prejudiced thereby. The Company shall defend the claim and the Trustee shall cooperate in the defense. Unless otherwise set forth herein, the Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity

as Trustee, except money or property held in trust to pay principal of and interest on particular Notes.

If the Trustee incurs expenses or renders services after the occurrence of an Event of Default specified in clause (d) or (e) of Section 6.01, the expenses and the compensation for the services will be intended to constitute expenses of administration under Title 11 of the United States Bankruptcy Code or any applicable federal or state law for the relief of debtors.

The provisions of this Section 7.07 shall survive the termination of this Indenture and the resignation and removal of the Trustee.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

SECTION 7.08. Replacement of Trustee. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign at any time by so notifying the Company in writing at least 30 days prior to the date of the proposed resignation. The Holders of a majority in principal amount of the outstanding Notes may at any time remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company may remove the Trustee if: (i) the Trustee is no longer eligible under Section 7.10; (ii) the Trustee is adjudged a bankrupt or an insolvent; (iii) a receiver or other public officer takes charge of the Trustee or its property; or (iv) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company. If the successor Trustee does not deliver its written acceptance required by the next succeeding paragraph of this Section 7.08 within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in principal amount of the outstanding Notes may, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Immediately after the delivery of such written acceptance, subject to the lien provided in Section 7.07, (i) the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, (ii) the resignation or removal of the retiring Trustee shall become effective and (iii) the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Holder. No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

If the Trustee is no longer eligible under Section 7.10 or shall fail to comply with TIA Section 310(b), any Holder who satisfies the requirements of TIA Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a

successor Trustee. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.08, the Trustee shall resign immediately in the manner and with the effect provided in this Section.

The Company shall give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligation under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger, Etc. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee herein, provided such corporation shall be otherwise qualified and eligible under this Article.

SECTION 7.10. Eligibility. This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1). The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition that is subject to the requirements of applicable Federal or state supervising or examining authority. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in this Article.

SECTION 7.11. Money Held in Trust. The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law and except for money held in trust under Article Eight of this Indenture.

## ARTICLE EIGHT

## DISCHARGE OF INDENTURE

SECTION 8.01. Termination of Company's Obligations. Except as otherwise provided in this Section 8.01, the Company may terminate its obligations under the Notes and this Indenture if:

(i) all Notes previously authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or Notes that are paid pursuant to Section 4.01 or Notes for whose payment money or securities have theretofore been held in trust and thereafter repaid to the Company, as provided in Section 8.05) have been delivered to the Trustee for cancellation and the Company has paid all sums payable by it hereunder; or

(ii) (A) the Notes mature within one year, (B) the Company irrevocably deposits in trust with the Trustee during such one-year period, under the terms of an

irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds solely for the benefit of the Holders for that purpose, money or U.S. Government Obligations sufficient (in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee), without consideration of any reinvestment of any interest thereon, to pay principal and interest on the Notes to maturity, and to pay all other sums payable by it hereunder, (C) no Default or Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit, (D) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound and (E) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with.

With respect to the foregoing clause (i), the Company's obligations under Section 7.07 shall survive. With respect to the foregoing clause (ii), the Company's obligations in Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 4.01, 4.02, 7.07, 7.08, 8.04, 8.05 and 8.06 shall survive until the Notes are no longer outstanding. Thereafter, only the Company's obligations in Sections 7.07, 8.04, 8.05 and 8.06 shall survive. After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Company's obligations under the Notes and this Indenture except for those surviving obligations specified above.

SECTION 8.02. Defeasance and Discharge of Indenture. The Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 91st day after the date of the deposit referred to in clause (a) of this Section 8.02, and the provisions of this Indenture will no longer be in effect with respect to the Notes, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same if:

(a) with reference to this Section 8.02, the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 7.10) and conveyed all right, title and interest to the Trustee for the benefit of the Holders, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee as trust funds in trust, specifically pledged to the Trustee for the benefit of the Holders as security for payment of the principal of and interest, if any, on the Notes, and dedicated solely to, the benefit of the Holders, in and to (1) money in an amount, (2) U.S. Government Obligations that, through the payment of interest and principal in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (a), money in an amount or (3) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the Trustee, the principal of and interest on the outstanding Notes on the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal and interest with respect to the Notes;

(b) the Company has delivered to the Trustee either (x) an Opinion of Counsel to the effect that Holders will not recognize income, gain or loss for federal income tax purposes as a result of the Company's exercise of its option under this Section 8.02 and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised, which Opinion of Counsel shall be based upon (and accompanied by a copy of) a ruling of the Internal Revenue Service to the same effect unless there has been a change in applicable federal income tax law after the Closing Date such that a ruling is no longer required or (y) a ruling directed to the Trustee received from the Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel.

(c) immediately after giving effect to such deposit, on a pro forma basis, no Default or Event of Default shall have occurred and be continuing on the date of such deposit or, insofar as Sections 6.01(d) and 6.01(e) are concerned, at any time during the period ending on the 91st day after such date of such deposit;

(d) if the Notes are then listed on a national securities exchange, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Notes will not be delisted as a result of such deposit, defeasance and discharge; and

(e) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 8.02 have been complied with.

Notwithstanding the foregoing, prior to the end of the 91-day period referred to in clause (c) of this Section 8.02, none of the Company's obligations under this Indenture shall be discharged. Subsequent to the end of such 91-day period with respect to this Section 8.02, the Company's obligations in Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 8.04, 8.05, 8.06 and the rights, powers, trusts, duties and immunities of the Trustee hereunder shall survive until the Notes are no longer outstanding. Thereafter, only the Company's obligations in Sections 7.07, 8.04, 8.05 and 8.06 shall survive.

After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Company's obligations under the Notes and this Indenture except for those surviving obligations in the immediately preceding paragraph.

SECTION 8.03. Defeasance of Certain Obligations. The Company may omit to comply with any term, provision or condition set forth in Sections 4.03, 4.05 and 5.01 and clause (c) of Section 6.01 with respect to Sections 4.03, 4.05 and 5.01, and clause (c) of Section 6.01 shall be deemed not to be an Event of Default, in each case with respect to the outstanding Notes if:

(i) with reference to this Section 8.03, the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 7.10) and conveyed all right, title and interest to the Trustee for the benefit of the Holders, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee as trust funds in trust, specifically pledged to the Trustee for the benefit of the Holders as security for payment of the principal of and interest, if any, on the Notes, and dedicated solely to, the benefit of

the Holders, in and to (A) money in an amount, (B) U.S. Government Obligations that, through the payment of interest and principal in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (i), money in an amount or (C) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the Trustee, the principal of and interest on the outstanding Notes on the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal and interest with respect to the Notes;

(ii) the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(iii) immediately after giving effect to such deposit on a pro forma basis, no Default or Event of Default shall have occurred and be continuing on the date of such deposit or, insofar as Sections 6.01(d) and 6.01(e) are concerned, at any time during the period ending on the 91st day after such date of such deposit;

(iv) if the Notes are then listed on a national securities exchange, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the Notes will not be delisted as a result of such deposit, defeasance and discharge; and

(v) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 8.03 have been complied with.

SECTION 8.04. Application of Trust Money. Subject to Section 8.06, the Trustee or Paying Agent shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 8.01, 8.02 or 8.03, as the case may be, and shall apply the deposited money and the money from U.S. Government Obligations in accordance with the Notes and this Indenture to the payment of principal of and interest on the Notes; but such money need not be segregated from other funds except to the extent required by law.

SECTION 8.05. Repayment to Company. Subject to Sections 7.07, 8.01, 8.02 and 8.03, the Trustee and the Paying Agent shall promptly pay to the Company upon request set forth in an Officers' Certificate any excess money held by them at any time and thereupon shall be relieved from all liability with respect to such money. The Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for two years; provided that the Trustee or Paying Agent before being required to make any payment may cause to be published at the expense of the Company once in

a newspaper of general circulation in The City of New York or mail to each Holder entitled to such money at such Holder's address (as set forth in the Security Register) 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 will be repaid to the Company. After payment to the Company, Holders entitled to such money must look to the Company for payment as general creditors unless an applicable law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

SECTION 8.06. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 8.01, 8.02 or 8.03, as the case may be, 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 obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01, 8.02 or 8.03, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 8.01, 8.02 or 8.03, as the case may be; provided that, if the Company has made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

## ARTICLE NINE

## AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders. The Company, when authorized by a resolution of its Board of Directors (as evidenced by a Board Resolution delivered to the Trustee), and the Trustee may amend or supplement this Indenture or the Notes without notice to or the consent of any Holder:

(i) to cure any ambiguity, defect or inconsistency in this Indenture;

(ii) to comply with Article Five;

(iii) to comply with any requirements of the Commission in connection with any qualification of this Indenture under the TIA;

(iv) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee;

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

(vi) to add to the covenants of the Company for the protection of the Holders, to add any additional Events of Default with respect to the Notes, or to surrender any right or power conferred upon the Company; or

(vii) to make any change that, in the good faith opinion of the Board of Directors as evidenced by a Board Resolution, does not materially and adversely affect the rights of any Holder.

SECTION 9.02. With Consent of Holders. Subject to Sections 6.04 and 6.08 and without prior notice to the Holders, the Company, when authorized by its Board of Directors (as evidenced by a Board Resolution delivered to the Trustee), and the Trustee may amend this Indenture and the Notes with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, and the Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may waive future compliance by the Company with any provision of this Indenture or the Notes.

Notwithstanding the provisions of this Section 9.02, without the consent of each Holder affected, an amendment or waiver, including a waiver pursuant to Section 6.04, may not:

(i) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(ii) reduce the principal amount of or interest on any Note except as provided in this Indenture;

(iii) change any place or currency of payment of principal of or interest on any Note;

(iv) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity on any Note;

(v) reduce the percentage or principal amount of outstanding Notes the consent of whose Holders is necessary to modify or amend this Indenture or to waive compliance with certain provisions of or certain Defaults under this Indenture;

(vi) waive a default in the payment of principal of or interest on any Note; or

(vii) modify any of the provisions of this Section 9.02, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby.

It shall not be necessary for the consent of the Holders under this
Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. The Company will mail supplemental indentures to Holders upon request. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or waiver.

SECTION 9.03. Action by Holders; Record Dates. Whenever in this Indenture it is provided that the Holders of a specified aggregate principal amount of the outstanding Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified amount have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Holders in person or by agent or proxy appointed in writing, or (b) the record of the Holders voting in favor thereof at any meeting of the Holders duly called and held in accordance with the provisions of Article Ten, or (c) any combination of such instrument or instruments and any such record of such a meeting of the Holders.

Subject to the provisions of Sections 7.02 and 10.05, proof of the execution of any instrument by a Holder or its agent or proxy shall be sufficient if the ownership of the Notes shall be proved by (a) the Security Register or by a certificate of the Registrar; or (b) in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in any other manner which the Trustee may deem sufficient.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then, notwithstanding the last two sentences of the immediately preceding paragraph, those persons who were Holders at such record date (or their duly designated proxies) and only those persons shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it is of the type described in the second paragraph of
Section 9.02. In case of an amendment or waiver of the type described in the second paragraph of Section 9.02, the amendment or waiver shall bind each Holder who has consented to it and every subsequent Holder of a Note that evidences the same indebtedness as the Note of the consenting Holder.

SECTION 9.04. Revocation and Effect of Consent. Until an amendment or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the Note of the consenting Holder, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note or portion of its Note. Such revocation shall be effective only if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver shall become effective on receipt by the Trustee of written consents from the Holders of the requisite percentage in principal amount of the outstanding Notes.

SECTION 9.05. Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder to deliver such Note to the Trustee. At the Company's expense, the Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder, and the Trustee may place an appropriate notation on any Note thereafter authenticated. Alternatively, if the Company or the

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

SECTION 9.06. Trustee to Sign Amendments, Etc. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article Nine is authorized or permitted by this Indenture and that it will be valid and binding upon the Company. Subject to the preceding sentence, the Trustee shall sign such amendment, supplement or waiver if the same does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Trustee may, but shall not be obligated to, execute any such amendment, supplement or waiver that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.07. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the TIA as then in effect

## ARTICLE TEN

## MEETINGS OF THE HOLDERS

SECTION 10.01. Purposes of Meetings. A meeting of the Holders may be called at any time and from time to time pursuant to the provisions of this Article Ten for any of the following purposes:

(i) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive any Default hereunder and its consequences, or to take any other action authorized to be taken by the Holders pursuant to any of the provisions of Article Six;

(ii) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(iii) to consent to any amendment, supplement or waiver pursuant to the provisions of Section 9.02; or

(iv) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the outstanding Notes under any other provision of this Indenture or under applicable law.

SECTION 10.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of the Holders to take any action specified in Section 10.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given (a)

to all Holders of Notes then outstanding, by publication at least twice in an Authorized Newspaper in the Borough of Manhattan, The City of New York prior to the date fixed for the meeting, the first publication, in each case, to be not less than 20 nor more than 180 days prior to the date fixed for the meeting and the last publication to be not more than five days prior to the date fixed for the meeting and (b) to all Holders of Notes then outstanding who have filed their names and addresses with the Trustee, by mailing such notice to such Holders at such addresses, not less than 20 nor more than 180 days prior to the date fixed for the meeting. Failure of any Holder or Holders to receive such notice or any defect therein shall in no case affect the validity of any action taken at such meeting. Any meeting of the Holders shall be valid without notice if the Holders of all Notes then outstanding, the Company and the Trustee are present in person or by proxy or shall have waived notice thereof before or after the meeting.

SECTION 10.03. Call of Meetings by Company or Holders. In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in aggregate principal amount of the Notes then outstanding, as the case may be, shall have requested the Trustee to call a meeting of the Holders to take any action authorized in Section 10.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Trustee shall not have mailed or published as provided in Section 10.02, the notice of such meeting within 30 days after receipt of such request, then the Company or the Holders in the amount above specified may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 10.01, by mailing or publishing notice thereof as provided in Section 10.02.

SECTION 10.04. Qualification for Voting. To be entitled to vote at any meeting of the Holders a person shall be a Holder of the Notes or a person appointed by an instrument in writing as proxy by such Holder. The only persons who shall be entitled to be present or to speak at any meeting of the Holders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 10.05. Regulations. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Holders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as the Trustee shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by the Holders as provided in Section 10.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Notes represented at the meeting and entitled to vote.

Subject to the provisions of Section 9.03, at any meeting of the Holders, each Holder or proxy shall be entitled to one vote for each $1,000 principal amount at maturity of outstanding Notes held or represented by such Holder; provided, however, that no vote shall be cast or

counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote except as a Holder or proxy. Any meeting of the Holders duly called pursuant to the provisions of Section 10.02 or 10.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

SECTION 10.06. Voting. The vote upon any resolution submitted to any meeting of the Holders shall be by written ballot on which shall be subscribed the signatures of the Holders or proxies and on which shall be inscribed the identifying number or numbers or to which shall be attached a list of identifying numbers of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of the Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section
10.02. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached hereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

## ARTICLE ELEVEN

## MISCELLANEOUS

SECTION 11.01. Trust Indenture Act of 1939. Prior to the effectiveness of the Registration Statement, this Indenture shall incorporate and be governed by the provisions of the TIA that are required to be part of and to govern indentures qualified under the TIA. After the effectiveness of the Registration Statement, this Indenture shall be subject to the provisions of the TIA that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

SECTION 11.02. Notices. Any notice or communication shall be sufficiently given if in writing and delivered in person, mailed by first-class mail or sent by telecopier transmission addressed as follows:

**if to the Company:**

Aon Corporation
200 East Randolph Street
Chicago, Illinois 60601

Telecopier No.: (312) 381-6060 Attention: Treasurer

**if to the Trustee:**

The Bank of New York
c/o BNY Midwest Trust Company 2 North LaSalle Street, Suite 1020 Chicago, Illinois 60602 Attention: Corporate Trust Administration

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder shall be mailed to it at its address as it appears on the Security Register by first-class mail and shall be sufficiently given to him if so mailed within the time prescribed. Any notice or communication shall also be so mailed to any Person described in TIA Section
313(c), to the extent required by the TIA. Copies of any such communication or notice to a Holder shall also be mailed to the Trustee and each Agent at the same time.

Failure to mail a notice or communication to a Holder as provided herein or any defect in any such notice or communication 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 in this Section 11.02, it is duly given, whether or not the addressee receives it.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 11.03. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(i) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel stating that, in the opinion of such Counsel, all such conditions precedent have been complied with.

SECTION 11.04. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion is based;

(iii) a statement that, in the opinion of each such person, such person has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with; provided, however, that, with respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials.

SECTION 11.05. Rules by Trustee, Paying Agent or Registrar. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 11.06. Payment Date Other Than a Business Day. If any Interest Payment Date or the Maturity Date shall not be a Business Day, then payment of principal of or interest on the Notes will be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Interest Payment Date or the Maturity Date to the date of such payment on the next succeeding Business Day.

SECTION 11.07. Governing Law. This Indenture and the Notes shall be governed by the laws of the State of New York. The Trustee, the Company and the Holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Indenture or the Notes.

SECTION 11.08. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any Subsidiary of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.09. No Recourse Against Others. No recourse for the payment of the principal of or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company contained in this Indenture or in any of the Notes, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator or against any past, present or future partner, stockholder, other equityholder, officer, director, employee or controlling person, as such, of the Company or of any successor Person, either directly or

through the Company or any successor Person, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

SECTION 11.10. Successors. All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 11.11. Duplicate Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 11.12. Separability. In case any provision in this Indenture or in 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 11.13. Table of Contents, Headings, Etc. The Table of Contents and headings of the Articles and Sections of this 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 and provisions hereof.

SECTION 11.14. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

**SIGNATURES**

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

**Aon CORPORATION**

By:_____
Name:
Title:

**THE BANK OF NEW YORK**

By:_____
Name:
Title:

**EXHIBIT A**

**FORM OF NOTE**

[Unless and until a Note is exchanged for an Exchange Note or sold in connection with an effective Registration Statement pursuant to the Registration Rights Agreement, (i) the U.S. Global Notes and U.S. Physical Notes shall bear the legend set forth below and (ii) the Offshore Physical Notes and Offshore Global Notes shall bear the legend set forth below until at least the 41st day after the Closing Date and receipt by the Company and the Trustee of a certificate substantially in the form of Exhibit B hereto.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. 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) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(k) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE

APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.]

[Each Global Note, whether or not an Exchange Note, shall also bear the following legend.

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

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE AND IS REGISTERED IN THE NAME OF CEDE & CO. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFERS OF THIS GLOBAL NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN NOMINEES OF CEDE & CO. OR 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 SECTION 2.08 OF THE INDENTURE.]

**[FACE OF NOTE]**

**AON CORPORATION**

**6.20% NOTE DUE 2007**

[CUSIP] [CINS] [ISIN] [_____]

No. ____ Principal Amount $_____

Aon CORPORATION, a Delaware corporation (the "Company", which term

includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to _____, or its registered assigns, the principal sum of _____ ($_____) on January 15, 2007.

Interest Payment Dates: January 15 and July 15 of each year, commencing July 15, 2002.

Record Dates: The fifteenth calendar day, whether or not a Business Day, immediately preceding each Interest Payment Date.

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.

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officers.

**Aon CORPORATION**

By:_____
Name:
Title:

By:_____
Name:
Title:

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the 6.20% Notes due 2007 described in the within-mentioned Indenture.

Date: December __, 2001

THE BANK OF NEW YORK, as Trustee

By:_____
Authorized Signatory

**[REVERSE SIDE OF NOTE]**

**AON CORPORATION**

**6.20% NOTE DUE 2007**

1. Principal and Interest.

The Company will pay the principal of this Note on January 15, 2007.

The Company promises to pay interest on the principal amount of this Note on each Interest Payment Date, as set forth below, at the rate per annum shown above, subject to adjustment as described below.

Interest will be payable semiannually in arrears (to the Holders of record of the Notes at the close of business on the fifteenth calendar day, whether or not a Business Day, immediately preceding the relevant Interest Payment Date) on each Interest Payment Date of each year, commencing July 15, 2002; provided that no interest shall accrue on the principal amount of this Note prior to December 13, 2001. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If an exchange offer (the "Exchange Offer") registered under the Securities Act is not consummated or a Shelf Registration Statement under the Securities Act with respect to resales of the Notes is not declared effective by the Commission, on or before the date that is 270 days after the date on which the Notes are originally issued under this Indenture (the "Registration Date") in accordance with the terms of the Registration Rights Agreement, dated as of December 13, 2001, between the Company and Morgan Stanley & Co. Incorporated, the annual interest rate payable on the Notes shall be increased by 0.5% from the rate shown above accruing from the Registration Date, payable in cash semiannually, in arrears, on each Interest Payment Date until the Exchange Offer is consummated or the Shelf Registration Statement is declared effective. The Holder of this Note is entitled to the benefits of such Registration Rights Agreement.

Interest on the Notes will accrue from, and including, December 13, 2001 to, and excluding, the first Interest Payment Date and then from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the Maturity Date, as the case may be; provided that, if there is no existing default in the payment of interest and this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such Interest Payment Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Interest Rate Adjustment.

In the event that either Moody's or S&P downgrades the rating ascribed to the Company's senior unsecured debt below A3 in the case of Moody's or below A- in the case of S&P, the interest rate payable on the Notes will be increased by 0.25% for each Rating Category downgrade below the applicable level by either rating agency. If following such an event, Moody's or S&P subsequently increases the rating ascribed to the Company's senior unsecured d

ebt, then the interest rate payable on the Notes will be decreased by 0.25% for each Rating Category upgrade by either rating agency; provided, however, that in no event will interest rate payable on the Notes be reduced to below the initial interest rate as a result of this provision. Any such interest rate increase or decrease will take effect from the Interest Payment Date next following the related rating downgrade or upgrade, as the case may be.

3. Method of Payment.

The Company will pay interest on the principal amount of the Notes as provided above on each January 15 and July 15, commencing July 15, 2002 to the persons who are Holders (as reflected in the Security Register at the close of business on the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date), in each case, even if the Note is cancelled on registration of transfer or registration of exchange after such Record Date; provided that, with respect to the payment of principal, the Company will make payment to the Holder that surrenders this Note to a Paying Agent on or after January 15, 2007.

The Company will pay principal and, as provided above, interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. However, the Company may pay principal and interest by its check payable in such money. It may mail an interest check to a Holder's registered address (as reflected in the Security Register). If any Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after the Maturity Date to the date of such payment on the next succeeding Business Day.

4. Paying Agent, Calculation Agent and Registrar.

Initially, the Trustee will act as authenticating agent, Paying Agent, Calculation Agent and Registrar. The Company may change any authenticating agent, Paying Agent, Calculation Agent or Registrar without notice. The Company, any Subsidiary or any Affiliate of any of them may act as Paying Agent, Registrar or Co-Registrar.

5. Indenture; Limitations.

The Company issued the Notes under an Indenture, dated as of December 13, 2001 (the "Indenture"), between the Company and The Bank of New York, as trustee (the "Trustee"). Capitalized terms herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture shall control.

The Notes are general unsecured obligations of the Company.

The Company may, subject to Article Four of the Indenture and applicable law, issue additional Notes under the Indenture.

6. Redemption.

The Notes are not redeemable prior to the Maturity Date.

7. Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of $1,000 of principal amount and multiples of $1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. Persons Deemed Owners.

A Holder shall be treated as the owner of a Note for all purposes.

9. Unclaimed Money.

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent will pay the money back to the Company at its request. After that, Holders entitled to the money must look to the Company for payment, unless an abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease. In no event will interest accrue on such unclaimed monies.

10. Discharge Prior to Maturity.

If the Company deposits with the Trustee money or U.S. Government Obligations sufficient to pay the then outstanding principal of and accrued and unpaid interest on the Notes (a) to maturity, the Company will be discharged from the Indenture and the Notes, except in certain circumstances for certain provisions thereof, and (b) to the Stated Maturity, the Company will be discharged from certain covenants set forth in the Indenture.

11. Amendment; Supplement; Waiver.

Subject to certain exceptions, (a) the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding and (b) any existing default or compliance with any provision may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding. Without notice to or the consent of any Holder, the parties thereto may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency and make any change that does not materially and adversely affect the rights of any Holder.

12. Restrictive Covenants.

The Indenture imposes certain limitations on the ability of the Company, among other things, to (a) create security interests in the common stock of any Significant Subsidiary to

secure debt or (b) merge, consolidate or transfer or lease substantially all of its assets. On or before a date not more than four months after the end of each fiscal year, the Company shall deliver to the Trustee an Officers' Certificate stating whether or not the signers thereof know of any Default or Event of Default under such restrictive covenants.

13. Successor Persons.

When a successor Person or other entity assumes all the obligations of its predecessor under the Notes and the Indenture, the predecessor person will be released from those obligations.

14. Defaults and Remedies.

Any of the following events constitutes an "Event of Default" under the Indenture:

(a) default in the payment of the principal of any of the Notes as and when the same shall become due and payable either at maturity, by declaration or otherwise; or

(b) default in the payment of any installment of interest on any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in this Indenture applicable to the Notes for a period of 90 days after the date on which written notice of such failure, specifying such failure and requiring the Company to remedy the same and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes at the time outstanding; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 days; or

(e) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of any order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or shall make any general assignment for the benefit of creditors.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee may, and at the direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall, declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes

automatically become due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of at least a majority in principal amount of the Notes then outstanding may direct the Trustee in its exercise of any trust or power.

15. Trustee Dealings with the Company.

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from and perform services for the Company or its Affiliates and may otherwise deal with the Company or its Affiliates as if it were not the Trustee.

16. No Recourse Against Others.

No incorporator or any past, present or future partner, stockholder, other equityholder, officer, director, employee or controlling person, as such, of the Company or of any successor Person shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

17. Authentication.

This Note shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Note.

18. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

19. Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York. The Trustee, the Company and the Holders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to the Notes.

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge. Requests may be made to Aon Corporation, 200 East Randolph Street, Chicago, Illinois 60601; Attention: Treasurer.

**[FORM OF TRANSFER NOTICE]**

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto:_____

**Insert Taxpayer Identification No.**

---

Please print or typewrite name and address including zip code of assignee

---

---

the within Note and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

**[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL NOTES OTHER THAN EXCHANGE NOTES, UNLEGENDED OFFSHORE GLOBAL NOTES AND UNLEGENDED OFFSHORE PHYSICAL NOTES]**

In connection with any transfer of this Note occurring prior to the date which is the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933 provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.08 of the Indenture shall have been satisfied.

Date: _____

---

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

**[TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.**

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933 and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____

---

NOTICE: To be executed by an executive officer]

**[TO BE INCLUDED ON EXCHANGE NOTES]**

**ASSIGNMENT FORM**

I or we assign and transfer this Note to:_____

Insert social security or other identifying number of assignee

---

Print or type name, address and zip code of assignee

---

---

and irrevocably appoint _____, as agent, to transfer this Note on the books of the Company.

The agent may substitute another to act for him.

Date: _____

**Signed _____**

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

Signature Guarantee*:_____

* The Holder's signature must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" as defined by Rule 17Ad-15 under the Exchange Act.

**EXHIBIT B**

**Form of Certificate**

_____, 200_

The Bank of New York
c/o BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Administration

Re: Aon Corporation (the "Company") 6.20% Notes due 2007 (the "Notes")

Dear Sirs:

This letter relates to U.S. $_____ principal amount of Notes represented by a Note (the "Legended Note") which bears a legend outlining restrictions upon transfer of such Legended Note. Pursuant to Section 2.02 of the Indenture dated as of December 13, 2001 (the "Indenture") relating to the Notes, we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Notes could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Notes, all in the manner provided for in the Indenture.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Holder]

By:_____ Authorized Signature

**EXHIBIT C**

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

_____, 200_

The Bank of New York
c/o BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Administration

Re: Aon Corporation (the "Company") 6.20% Notes due 2007 (the "Notes")

Dear Sirs:

In connection with our proposed purchase of $_____ aggregate principal amount of the Notes, we confirm that:

1. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of December 13, 2001 (the "Indenture") relating to the Notes and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act of 1933, amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered, sold, pledged or otherwise transferred except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes within the time period referred to in Rule 144(k) of the Securities Act as in effect on the date of transfer of the Notes, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of an aggregate principal amount of less than $250,000, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

3. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you

and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,
[Name of Transferee]

By:_____ Authorized Signature

**EXHIBIT D**

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

_____, 200_

The Bank of New York
c/o BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Administration

Re: Aon Corporation (the "Company") 6.20% Notes due 2007 (the "Notes")

Dear Sirs:

In connection with our proposed sale of U.S.$_____ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the Securities Act of 1933 and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States;

(3) no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act of 1933.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[Name of Transferee]

By:_____ Authorized Signature

Exhibit 4(i)

---

**INDENTURE**

**DATED AS OF DECEMBER 31, 2001**

**BETWEEN**

**PRIVATE EQUITY PARTNERSHIP STRUCTURES I, LLC,**
**AS ISSUER,**

**AND**

**THE BANK OF NEW YORK,**
**AS TRUSTEE, CUSTODIAN, CALCULATION AGENT, NOTE REGISTRAR, TRANSFER AGENT**
**AND PAYING AGENT**

---

TABLE OF CONTENTS


| | | Page |
|---|---|---|
| ARTICLE I DEFINITIONS AND INTERPRETATION | | 3 |
| SECTION 1.01 | Definitions | 3 |
| SECTION 1.02 | Rules of Construction | 20 |
| ARTICLE II THE NOTES | | 21 |
| SECTION 2.01 | Forms Generally | 21 |
| SECTION 2.02 | Authorized Amount; Interest Rate; Stated Maturity; Denominations; Ranking | 22 |
| SECTION 2.03 | Execution, Authentication, Delivery and Dating | 25 |
| SECTION 2.04 | Registration, Transfer and Exchange of Notes | 26 |
| SECTION 2.05 | Mutilated, Defaced, Destroyed, Lost or Stolen Notes | 34 |
| SECTION 2.06 | Payment of Principal and Interest; Rights Preserved | 35 |
| SECTION 2.07 | Persons Deemed Owners | 37 |
| SECTION 2.08 | Cancellation | 37 |
| SECTION 2.09 | Section 3(c)(7) Procedures | 38 |
| SECTION 2.10 | Forced Sale | 38 |
| ARTICLE III CONDITIONS PRECEDENT | | 39 |
| SECTION 3.01 | General Provisions | 39 |
| SECTION 3.02 | Security for Notes | 41 |
| SECTION 3.03 | Custodianship; Transfer of Collateral Interests | 42 |
| SECTION 3.04 | Limited Recourse | 44 |
| ARTICLE IV SATISFACTION AND DISCHARGE | | 44 |
| SECTION 4.01 | Satisfaction and Discharge of Indenture | 44 |
| SECTION 4.02 | Application of Trust Money | 45 |
| SECTION 4.03 | Repayment of Monies Held by Paying Agent | 45 |
| ARTICLE V EVENTS OF DEFAULT; REMEDIES | | 45 |
| SECTION 5.01 | Events of Default | 45 |
| SECTION 5.02 | Acceleration of Maturity; Rescission and Annulment | 47 |
| SECTION 5.03 | Collection of Indebtedness and Suits for Enforcement by Trustee | 48 |
| SECTION 5.04 | Remedies | 50 |
| SECTION 5.05 | Preservation of Collateral | 52 |
| SECTION 5.06 | Trustee May Enforce Claims Without Possession of Notes | 53 |
| SECTION 5.07 | Application of Money Collected | 54 |
| SECTION 5.08 | Limitation on Suits | 54 |
| SECTION 5.09 | Unconditional Rights of Noteholders to Receive Principal and Interest | 54 |
| SECTION 5.10 | Restoration of Rights and Remedies | 55 |

| | | |
|---|---|---|
| SECTION 5.11 | Rights and Remedies Cumulative | 55 |
| SECTION 5.12 | Delay or Omission Not Waiver | 55 |
| SECTION 5.13 | Control by Controlling Class and the Liquidity Facility Provider | 55 |
| SECTION 5.14 | Waiver of Past Defaults | 55 |
| SECTION 5.15 | Undertaking for Costs | 55 |
| SECTION 5.16 | Waiver of Stay or Extension Laws | 55 |
| SECTION 5.17 | Sale of Collateral | 55 |
| SECTION 5.18 | Action on the Notes | 55 |
| ARTICLE VI THE TRUSTEE | | 55 |
| SECTION 6.01 | Certain Duties and Responsibilities | 55 |
| SECTION 6.02 | Notice of Default | 55 |
| SECTION 6.03 | Certain Rights of Trustee | 55 |
| SECTION 6.04 | Authenticating Agents | 55 |
| SECTION 6.05 | Trustee Not Responsible for Recitals or Issuance of Notes | 55 |
| SECTION 6.06 | Trustee May Hold Notes | 55 |
| SECTION 6.07 | Money Held in Trust | 55 |
| SECTION 6.08 | Compensation and Reimbursement | 55 |
| SECTION 6.09 | Corporate Trustee Required; Eligibility | 55 |
| SECTION 6.10 | Resignation and Removal; Appointment of Successor | 55 |
| SECTION 6.11 | Acceptance of Appointment by Successor | 55 |
| SECTION 6.12 | Merger, Conversion, Consolidation or Succession to Business of Trustee | 55 |
| SECTION 6.13 | Co-Trustees | 55 |
| SECTION 6.14 | Certain Duties Related to Delayed Payment of Proceeds | 55 |
| SECTION 6.15 | Representations and Warranties of the Trustee | 55 |
| SECTION 6.16 | Exchange Offers | 55 |
| ARTICLE VII COVENANTS | | 55 |
| SECTION 7.01 | Payment of Principal and Interest | 55 |
| SECTION 7.02 | Maintenance of Office or Agency | 55 |
| SECTION 7.03 | Money for Note Payments to be Held in Trust | 55 |
| SECTION 7.04 | Existence of the Issuer | 55 |
| SECTION 7.05 | Protection of Collateral | 55 |
| SECTION 7.06 | Performance of Obligations | 55 |
| SECTION 7.07 | Negative Covenants | 55 |
| SECTION 7.08 | Statement as to Compliance | 55 |
| SECTION 7.09 | Issuer May Consolidate Only on Certain Terms | 55 |
| SECTION 7.10 | No Other Business | 55 |
| SECTION 7.11 | Reaffirmation of Rating; Annual Rating Review | 55 |
| SECTION 7.12 | Reporting | 55 |
| SECTION 7.13 | Calculation Agent | 55 |
| SECTION 7.14 | Amendment of Certain Documents | 55 |
| SECTION 7.15 | Capital Calls | 55 |
| SECTION 7.16 | Diversity Reports and Other Information | 55 |

ARTICLE VIII SUPPLEMENTAL INDENTURES 55

SECTION 8.01 Supplemental Indentures Without Consent of Noteholders or Preferred Unitholders 55
SECTION 8.02 Supplemental Indentures with Consent of Noteholders and Preferred Unitholders 55
SECTION 8.03 Execution of Supplemental Indentures 55
SECTION 8.04 Effect of Supplemental Indentures 55
SECTION 8.05 Reference in Notes to Supplemental Indentures 55

ARTICLE IX REDEMPTION OF NOTES 55

SECTION 9.01 Redemption of Notes 55
SECTION 9.02 Notice of Maturity by the Issuer 55

ARTICLE X ACCOUNTS, ACCOUNTINGS AND RELEASES 55

SECTION 10.01 Collection of Money 55
SECTION 10.02 Collection Account; Cash Reserve Account; Note Reserve Account; Custodial Account 55
SECTION 10.03 Reports by Trustee 55
SECTION 10.04 Accountings 55
SECTION 10.05 Release of Collateral 55
SECTION 10.06 Reports by Independent Accountants 55
SECTION 10.07 Reports to Rating Agencies, Etc 55
SECTION 10.08 Tax Matters 55

ARTICLE XI APPLICATION OF MONIES 55

SECTION 11.01 Disbursements of Monies from the Collection Account 55
SECTION 11.02 Liquidity Facility 55

ARTICLE XII SECURED PARTIES' RELATIONS 55

SECTION 12.01 Subordination 55
SECTION 12.02 Standard of Conduct 55
SECTION 12.03 Non-Petition 55

ARTICLE XIII MISCELLANEOUS 55

SECTION 13.01 Form of Documents Delivered to Trustee 55
SECTION 13.02 Acts of Noteholders 55
SECTION 13.03 Notices 55
SECTION 13.04 Effect of Headings and Table of Contents 55
SECTION 13.05 Successors and Assigns 55
SECTION 13.06 Severability 55
SECTION 13.07 Benefits of Indenture 55
SECTION 13.08 Legal Holidays 55
SECTION 13.09 Governing Law 55
SECTION 13.10 Submission to Jurisdiction 55
SECTION 13.11 Counterparts 55
SECTION 13.12 Confidential Treatment of Documents 55
SECTION 13.13 Waiver of Trial by Jury 55

SCHEDULES, APPENDICES AND EXHIBITS


| | |
|---|---|
| Schedule I | Limited Partnerships |
| Appendix A | LIBOR Formula |
| Exhibit A | Form of Regulation S Global Note |
| Exhibit B | Form of Restricted Global Note |
| Exhibit C | Form of Certificated Note |
| Exhibit D | Form of Rule 144A Transfer Certificate |
| Exhibit E | Form of Regulation S Transfer Certificate |
| Exhibit F | Form of Request for Documents |
| Exhibit G | Form of Opinion of Counsel to the Issuer |
| Exhibit H | Form of Tax Opinion of Counsel to the Issuer |
| Exhibit I | Form of Opinion of Delaware Counsel to the Issuer |
| Exhibit J | Diversification Report |

This INDENTURE, dated as of December 31, 2001, is between PRIVATE EQUITY PARTNERSHIP STRUCTURES I, LLC, a limited liability company organized and existing under the laws of Delaware (the "Issuer"), and THE BANK OF NEW YORK, a New York banking corporation, as indenture trustee (herein, together with its permitted successors in the trusts created hereunder, called the "Trustee"), custodian, calculation agent, note registrar, transfer agent and paying agent.

**PRELIMINARY STATEMENT**

The Issuer is duly authorized to execute and deliver this Indenture to provide for the issuance of the Notes as provided in this Indenture. All covenants and agreements made by the Issuer herein are for the benefit and security of the Secured Parties. The Issuer is entering into this Indenture, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

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

**GRANTING CLAUSES**

The Issuer hereby Grants to the Trustee, for the benefit and security of the Secured Parties, all of its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, all accounts, general intangibles, chattel paper, instruments, securities, investment property, money, goods, documents, deposit accounts, letters of credit, letter of credit rights and any and all other property of any type or nature owned by it, including (a) the Collateral Interests, all distributions, whether payable in cash or property, and other payments receivable or distributable in respect of or in exchange for any of the Collateral Interests, and all distributions, cash, instruments, securities, whether certificated or uncertificated, security entitlements, securities accounts, investment property and other property from time to time receivable or otherwise distributable in respect thereof; (b) the Accounts established hereunder and all Eligible Investments purchased with funds on deposit in said accounts and all income from the investment of funds therein; (c) the Servicing Agreement; (d) all Cash and Money delivered to the Trustee; (e) all amounts received under the Rate Cap Agreement; (f) all rights of the Issuer under the CICA SPE Transfer Agreement; (g) all rights of the Issuer under the VSC SPE Transfer Agreement; (h) all rights of the Issuer, as assignee of CICA SPE, LLC, under the CICA Asset Sale Agreement; (i) all rights of the Issuer, as assignee of VSC SPE, LLC, under the VSC Asset Sale Agreement; and (j) all proceeds, accessions, profits, income benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Issuer described in the preceding clauses (a) - (i) (all such Money, instruments, rights and other property listed above, collectively being the "Collateral"). Such Grants are made, however, in trust, to secure the Notes equally and ratably without prejudice, priority or distinction between any Note and any other Note by reason of difference in time of issuance or otherwise, except as expressly provided in this Indenture, and to secure (i) the payment of all amounts due on the Notes and under the Liquidity Facility in accordance with

their terms, (ii) the payment of all other sums payable under this Indenture and (iii) compliance with the provisions of this Indenture and the Liquidity Facility, all as provided in this Indenture.

Except to the extent otherwise provided in this Indenture, the Issuer does hereby constitute and irrevocably appoint the Trustee the true and lawful attorney of the Issuer, with full power (in the name of the Issuer or otherwise), to exercise all rights of the Issuer with respect to the Collateral held for the benefit and security of the Secured Parties and to ask, require, demand, receive, settle, compromise, compound and give acquittance for any and all monies and claims for monies due and to become due under or arising out of any of the Collateral held for the benefit and security of the Secured Parties, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any Proceedings which the Trustee may deem to be necessary or advisable in the premises. The power of attorney granted pursuant to this Indenture and all authority hereby conferred are granted and conferred solely to protect the Trustee's interest in the Collateral held for the benefit and security of the Secured Parties and shall not impose any duty upon the Trustee to exercise any power. This power of attorney shall be irrevocable as one coupled with an interest prior to the payment in full of all the obligations secured hereby.

This Indenture shall constitute a security agreement under the law of the State of New York applicable to agreements made and to be performed therein. Upon the occurrence of any Event of Default with respect to the Notes, and in addition to any other rights available under this Indenture or any other instruments included in the Collateral held for the benefit and security of the Secured Parties or otherwise available at law or in equity, the Trustee shall have all rights and remedies of a secured party on default under the law of the State of New York and other applicable law to enforce the assignments and security interests contained herein and, in addition, shall have the right, subject to compliance with any mandatory requirements of applicable law, to sell or apply any rights and other interests assigned or pledged hereby in accordance with the terms hereof at public or private sale.

It is expressly agreed that anything therein contained to the contrary notwithstanding, the Issuer shall remain liable under any instruments included in the Collateral to perform all the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and except as otherwise expressly provided herein, the Trustee shall not have any obligations or liabilities under such instruments by reason of or arising out of this Indenture, nor shall the Trustee be required or obligated in any manner to perform or fulfill any obligations of the Issuer under or pursuant to such instruments or to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by it, to present or file any claim, or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The designation of the Trustee in any transfer document or record is intended and shall be deemed, first, to refer to the Trustee, as a purchaser of Collateral, as custodian on behalf of the Issuer, and second, to refer to the Trustee, as secured party on behalf of the Secured Parties; provided, that the Grant made by the Issuer to the Trustee pursuant to the Granting Clauses hereof shall apply to any Collateral bearing such designation.

The Trustee acknowledges such Grants, accepts the trusts hereunder in accordance with the provisions hereof, and agrees to perform the duties as set forth herein.

## ARTICLE I

## DEFINITIONS AND INTERPRETATION

SECTION 1.01 Definitions. Except as otherwise specified herein or as the context may otherwise require, the following terms have the respective meanings set forth below for all purposes of this Indenture.

"Account" means any of the Collection Account, the Cash Reserve Account, the Note Reserve Account and the Custodial Account, each of which may include any number of sub-accounts deemed necessary by the Trustee for its convenience in administering the relevant account.

"Accountants' Report" means a report of a firm of Independent certified public accountants of recognized national reputation appointed by the Issuer pursuant to Section 10.06(a), which may be the firm of Independent accountants that reviews or performs procedures with respect to the financial reports prepared by the Issuer.

"Additional Closing Date" means each date on which Class B2 Notes are delivered and paid for in accordance with Section 2.02(b) and Section 3.01(b).

"Administrative Expenses" means amounts due or accrued with respect to any Quarterly Distribution Date and payable by the Issuer to (i) the Trustee pursuant to Section 6.08 or any co-trustee appointed pursuant to Section 6.13 or any Note Registrar pursuant to Section 2.04(a), (ii) the Servicing Fee due and payable on such Quarterly Distribution Date less the Senior Servicing Fee paid on such date, (iii) the Independent accountants, agents and counsel of the Issuer for fees and expenses, (iv) the Rating Agency for fees and expenses in connection with any rating of the Notes (including, without limitation, any surveillance fees), including fees and expenses due or accrued in connection with any rating of the Collateral Interests (including, without limitation, any surveillance fees), (v) any other Person in respect of any governmental fee, charge or tax in relation to the Issuer and (vi) any other Person in respect of any other fees or expenses (including indemnities) permitted under this Indenture and the documents delivered pursuant to or in connection with this Indenture and the Notes and the Transaction Documents; provided, that Administrative Expenses shall not include (a) any amounts due or accrued with respect to the actions taken on or in connection with the Closing Date or an Additional Closing Date, as the case may be, (b) amounts payable in respect of the Notes or (c) amounts payable under the Liquidity Facility.

"Affiliate" or "Affiliated" means with respect to a Person,
(i) any other Person who, directly or indirectly, is in Control of, or Controlled by, or is under Common Control with, such Person or (ii) any other Person who is a director, Officer, employee, managing member or general partner of (a) such Person or (b) any such other Person described in clause (i) above. For the purposes of this definition, Control of a Person shall mean the power, direct or indirect, (x) to vote more than 50% of the securities having ordinary voting power for the election of directors

of such Person or (y) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Aggregate Outstanding Amount" means, when used with respect to any of the Notes at any time, the aggregate principal amount of such Notes Outstanding at such time.

"Aggregate Liquidity Commitment" has the meaning set forth in the Liquidity Facility Agreement.

"Approved Evaluator" means an independent valuation agent selected from a list of Standard & Poor's approved pricing services, including Murray Devine, Houlihan Lokey Howard & Zukin, and Chanin Partners, furnished by the Rating Agency.

"Asset Sale Agreements" means, collectively, the CICA Asset **Sale Agreement and the VSC Asset Sale Agreement.**

"Authenticating Agent" means with respect to the Notes or any Class of the Notes, the Person designated by the Trustee, if any, to authenticate such Notes on behalf of the Trustee pursuant to Section 6.04.

"Authorized Officer" means (i) with respect to the Issuer, any Officer who is authorized to act for the Issuer, as applicable, in matters relating to, and binding upon, the Issuer, and (ii) with respect to the Trustee or any other bank or trust company acting as trustee of an express trust or as Custodian, a Trust Officer. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

"Balance" means at any time, with respect to Cash or Eligible Investments in any Account at such time, the aggregate of (i) the current balance of Cash, demand deposits, time deposits, certificates of deposit and federal funds, (ii) the principal amount of interest-bearing corporate and government securities, money market accounts and repurchase obligations and
(iii) the purchase price (but not greater than the face amount) of non-interest-bearing government and corporate securities and commercial paper.

"Bankruptcy Code" means the United States Bankruptcy Code, Title 11 of the United States Code, as amended.

"Base Rate" has the meaning set forth in Appendix A hereto.

"Base Rate Reference Bank" has the meaning set forth in Appendix A hereto.

"Bearer Form" means, when used with respect to a Certificated Security, a form in which the Security is payable to the bearer of the Security Certificate according to its terms, but not by reason of an Indorsement.

"Beneficial Owner" means any Person owning an interest in a Global Note as reflected on the books of the Depository or on the books of a Depository Participant or on the

books of an indirect participant for which a Depository Participant of the Depository acts as agent.

"Business Day" means a day on which commercial banks and foreign exchange markets settle payments in New York, New York and any other city in which the Corporate Trust Office is located and, in the case of the final payment of principal of any Note, the place of presentation of such Note.

"Calculation Agent" has the meaning specified in Section 7.13.

"Capital Call" means, in respect of each of the Collateral Interests, a request for additional capital contributions (including, without limitation, any request for a management fee or other amounts provided for under the related Limited Partnership Agreement) received by the Issuer from the General Partner of the Limited Partnership to which such Collateral Interest relates pursuant to the Limited Partnership Agreement of such Limited Partnership.

"Cash" means such funds denominated in the coin or currency of

the United States as at the time shall be legal tender for payment of all public and private debts, including funds credited to a deposit account or a Securities Account.

"Cash Reserve Account" means the Securities Account designated the "Cash Reserve Account" and established in the name of the Trustee pursuant to Section 10.02(b).

"Certificated Note" has the meaning specified in Section 2.01(c).

"Certificated Security" means a Security that is represented by a certificate. "Certificate of Authentication" has the meaning specified in Section 2.03(f).

"CICA Asset Sale Agreement" means the Asset Sale Agreement dated as of December 31, 2001 between Combined Insurance Company of America ("CICA"), as seller, and CICA SPE, LLC, as buyer.

"CICA SPE Transfer Agreement" means the Transfer, Assignment and Assumption Agreement dated as of December 31, 2001 between CICA SPE, LLC, as seller, and the Issuer, as buyer.

"Class" means each of the Class A1 Notes, the Class A2 Notes, the Class B1 Notes and the Class B2 Notes.

"Class A Interest Distribution Amount" means, with respect to any Quarterly Distribution Date, the sum of (i) the aggregate amount of interest accrued at the Class A Note Interest Rate, during the Interest Period ending on such Quarterly Distribution Date, on the Aggregate Outstanding Amount of the Class A Notes on the first day of such Interest Period (after giving effect to any Redemption of the Class A Notes or other payment of principal of the Class A Notes on any preceding Quarterly Distribution Date) plus (ii) any Defaulted Interest in respect of the Class A Notes and accrued interest thereon.

"Class A Notes" means, collectively, the Class A1 Senior Floating Rate Notes due December 31, 2011 and the Class A2 Senior Floating Rate Notes due December 31, 2011.

"Class A1 Note Interest Rate" means, with respect to any Class A1 Note, the per annum variable rate equal to LIBOR plus, initially, 1.25% which rate shall be increased to up to a rate equal to LIBOR plus 1.90% upon an Issuer Order made at the request of the Placement Agent in its sole discretion and such increased rate shall be effective retroactively as of the Closing Date.

"Class A2 Note Interest Rate" means, with respect to any Class A2 Note, the per annum variable rate equal to LIBOR plus 2.50% (not to exceed 11.50% per annum).

"Class B1 Interest Distribution Amount" means, with respect to any Quarterly Distribution Date, the sum of (i) the aggregate amount of interest accrued at the Class B1 Note Interest Rate, during the Interest Period ending on such Quarterly Distribution Date, on the Aggregate Outstanding Amount of the Class B1 Notes on the first day of such Interest Period (after giving effect to any Redemption of the Class B1 Notes or other payment of principal of the Class B1 Notes on any preceding Quarterly Distribution Date) plus (ii) any Defaulted Interest in respect of the Class B1 Notes and accrued interest thereon.

"Class B Notes" means, collectively, the Class B1 Subordinated Floating Rate Notes due December 31, 2013 and the Class B2 Subordinated Floating Rate Notes due December 31, 2013. Each Class B Note is a PIK security, which permits the payment of interest thereon to be capitalized as additions to the principal amount thereof in lieu of payment of interest in Cash.

"Class B1 Note Interest Rate" means, with respect to any Class B1 Note, the per annum rate equal to the 3 month LIBOR rate plus 3.75%, which interest rate shall not exceed 12.75% per annum.

"Class B2 Note Interest Rate" means, with respect to any Class B2 Note, the per annum rate equal to the 3 month LIBOR rate plus 4.50%, which interest rate shall not exceed 13.50% per annum.

"Class B1 Notes" means the Class B1 Subordinated Floating Rate **Notes due December 31, 2013.**

"Class B2 Notes" means the Class B2 Subordinated Floating Rate **Notes due December 31, 2013.**

"Class P1 Preferred Units" means the preferred membership interests of the Issuer designated Class P1 Preferred Units.

"Class P2 Preferred Units" means the preferred membership interests of the Issuer designated Class P2 Preferred Units.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Corporation" has the meaning specified in Section **8-102(a)(5) of the UCC.**

"Clearstream" means Clearstream Banking, societe anonyme, a corporation organized under the laws of the Grand Duchy of Luxembourg.

"Closing Date" means December 31, 2001.

"Code" means the U.S. Internal Revenue Code of 1986, as

amended.

"Collateral" has the meaning specified in the Granting **Clauses.**

"Collateral Interest" means a limited partnership interest held in the name of the Issuer in one of the Limited Partnerships listed in Schedule I hereto.

"Collection Account" means the Securities Account designated the "Collection Account" and established in the name of the Trustee pursuant to

Section 10.02(a).

"Common Units" means the common membership interests in the Issuer, issued pursuant to the Operating Agreement.

"Control" of any Person means ownership of a majority of the voting power of such Person, or the power to direct or cause the direction of the management or policies of such Person.

"Controlling Class" means the Class A1 Notes, so long as any Class A1 Notes are Outstanding, then (after the Class A1 Notes have been paid in full) the Class A2 Notes, so long as any Class A2 Notes are Outstanding, then (after the Class A2 Notes have been paid in full) the Class B1 Notes, so long as any Class B1 Notes are Outstanding then (after the Class B1 Notes have been paid in full) the Class B2 Notes, so long as any Class B2 Notes are Outstanding.

"Corporate Trust Office" means (a) the principal office of the Trustee, at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 5 Penn Plaza, New York, NY 10001 attention: Corporate Trust Department, Dealing and Trading Unit, or such other address as the Trustee may designate from time to time or the principal corporate trust office of any successor Trustee.

"Custodial Account" means the Securities Account designated the "Custodial Account" and established in the name of the Trustee pursuant to Section 10.02(g).

"Custodian" has the meaning specified in Section 3.03(a).

"Default" means any Event of Default or any occurrence that, with notice or the lapse of time or both, would become an Event of Default.

"Defaulted Interest" means any interest due and payable in respect of any Note which is not paid or duly provided for on the applicable Quarterly Distribution Date or at Stated

Maturity and which remains unpaid, it being understood that any interest provided for by the Issuer's issuance of PIK Class B Notes shall not be deemed "Defaulted Interest".

"Depository" means, with respect to the Notes issued in the form of one or more Global Notes, the Person designated as Depository pursuant to Section 2.02(i) or any successor thereto pursuant to the applicable provisions of this Indenture.

"Depository Participant" means a broker, dealer, bank or other financial institution or other Person for whom from time to time the Depository effects book-entry transfers and pledges of notes deposited with the Depository.

"Designated Maturity" has the meaning set forth in Appendix A
hereto.

"Determination Date" means the last day of a Due Period.

"Distribution Compliance Period" means, with respect to the Notes, the period beginning upon completion of the distribution of the Notes (as certified by the Issuer to the Trustee) and ending on (and including) the 40th day thereafter.

"Dollar" or "U.S.$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for all debts, public and private.

"DTC" means The Depository Trust Company, a New York

corporation.

"Due Date" means each date on which any distribution is due on a Collateral Interest.

"Due Period" means, with respect to any Quarterly Distribution Date, the period commencing immediately following the third Business Day prior to the preceding Quarterly Distribution Date (or on the Closing Date, in the case of the Due Period relating to the first Quarterly Distribution Date) and ending on the third Business Day prior to such Quarterly Distribution Date (or, in the case of a Due Period that is applicable to the Quarterly Distribution Date relating to the Stated Maturity of any Note, or the Maturity of all Outstanding Notes, ending on the day preceding such Quarterly Distribution Date).

"Eligible Investments" means any book-entry securities, negotiable instruments or securities represented by Instruments in Bearer Form or Registered Form having original or remaining maturities of 30 days or less, but in no event occurring later than the Quarterly Distribution Date next succeeding the Trustee's acquisition thereof, which evidence:

(i) direct obligations of, and obligations fully guaranteed by, the United States;

(ii) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating of "A-1+" from the Rating Agency or otherwise approved in writing thereby;

(iii) investments in money market funds (including without limitation the AON Money Market Fund) having a rating from the Rating Agency of at least AAAm;

(iv) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States or any agency or instrumentality thereof, the obligations of which are backed by the full faith and credit of the United States, in either case entered into with (A) a depository institution or trust company (acting as principal) having a credit rating of at least "A-1" from Standard & Poor's or (B) a depository institution or trust company the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor entity thereto; and

(v) any other investment as may be permitted by Standard & Poor's without reducing or withdrawing the rating of any Class.

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

"Euroclear" means Euroclear Bank s.a./n.v., as operator of the Euroclear system.

"Event of Default" has the meaning specified in Section 5.01.

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

"Financial Asset" means, except as otherwise provided in
Section 8-103 of the UCC: (a) a Security, or (b) an obligation of a Person or a share, participation or other interest in a Person or in property or an enterprise of a Person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment.

"Financing Statements" means UCC financing statements relating to the Collateral naming the Issuer as debtor and the Trustee, on behalf of the Secured Parties, as secured party.

"General Partners" means the respective general partners of each of the Limited Partnerships.

"Global Notes" means Restricted Global Notes and Regulation S **Global Notes.**

"Grant" means to bargain, sell, warrant, alienate, remise, demise, release, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set-off against, deposit, set over and confirm. A Grant of the Collateral Interests, or of any other instrument, shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate continuing right to claim for, collect, receive and receipt for principal, interest and fee payments in respect of the Collateral Interests or such other instruments, and all other Monies payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise, and generally to do and receive

anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Holder" or "Noteholder" means, with respect to any Note, the Person in whose name such Note is registered in the Note Register.

"Indenture" means this instrument as originally executed and, if from time to time supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, as so supplemented or amended.

"Independent" means, as to any Person, any other Person (including, in the case of an accountant, or lawyer, a firm of accountants or lawyers and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person, and (ii) is not connected with such Person as an Officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions. "Independent" when used with respect to any accountant may include an accountant who audits the books of such Person if in addition to satisfying the criteria set forth above the accountant is Independent with respect to such Person within the meaning of Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants.

Whenever any Independent Person's opinion or certificate is to be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is independent within the meaning hereof.

"Indorsement" has the meaning specified in Section 8-102(a)(11) of the UCC.

"Institutional Accredited Investor" means an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of the Securities Act.

"Instruction" has the meaning specified in Section **8-102(a)(12) of the UCC.**

"Instrument" has the meaning specified in Section 9-102(a)(47) of the UCC.

"Interest Distribution Amount" means, with respect to any Quarterly Distribution Date, the sum of the Class A1 Interest Distribution Amount, the Class A2 Interest Distribution Amount, the Class B1 Interest Distribution Amount and the Class B2 Interest Distribution Amount.

"Interest Period" means, with respect to any Class of Notes, subject to Section 13.08 hereof (i) in the case of the initial Interest Period, the period from, and including, the Closing Date to, but excluding, the first Quarterly Distribution Date, and (ii) thereafter, the period from, and including, the Quarterly Distribution Date immediately following the last day of the immediately preceding Interest Period to, but excluding, the next succeeding Quarterly Distribution Date.

"Interest Rate" means the Class A1 Note Interest Rate, the Class A2 Note Interest Rate, the Class B1 Note Interest Rate or the Class B2 Note Interest Rate, as applicable.

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended, and the rules thereunder.

"Issuer" means Private Equity Partnership Structures I, LLC, a limited liability company organized and existing under the laws of the State of Delaware, unless a successor Person shall have become the Issuer pursuant to the applicable provisions of this Indenture, and thereafter Issuer shall mean such successor Person.

"Issuer Order" and "Issuer Request" mean, respectively, a written order or a written request, in each case dated and signed in the name of the Issuer by an Authorized Officer of the Issuer.

"LIBOR" has the meaning set forth in Appendix A hereto.

"LIBOR Business Day" has the meaning set forth in Appendix A hereto.

"LIBOR Determination Date" has the meaning set forth in Appendix A hereto.

"Limited Partnerships" means the limited partnerships listed in Schedule I hereto.

"Limited Partnership Agreement" means, with respect to a Limited Partnership, the limited partnership agreement, as amended and supplemented from time to time, that governs such Limited Partnership.

"Liquidity Facility" means that certain liquidity facility provided to the Issuer by the Liquidity Facility Provider under the Liquidity Facility Agreement.

"Liquidity Commitment Termination Date" means the earliest to occur of (a) the close of business on the Scheduled Liquidity Commitment Termination Date (as defined in the Liquidity Facility Agreement), or (b) the close of business on the earlier of (1) date on which all of the Class P1 Preferred Shares (as defined in the Liquidity Facility Agreement) are redeemed and (2) the date of the termination in whole of the Aggregate Liquidity Commitment pursuant to Section 6.02 of the Liquidity Facility Agreement.

"Liquidity Facility Agreement" means that certain liquidity facility agreement dated December 31, 2001, between the Issuer and the Liquidity Facility Provider and Canadian Imperial Bank of Commerce, as Liquidity Agent.

"Liquidity Facility Provider" means Canadian Imperial Bank of Commerce and the other liquidity banks (if any) named in the Liquidity Facility Agreement.

"Liquidity Facility Provider Event" means the failure by the Liquidity Facility Provider to make an advance in accordance with the terms of the Liquidity Facility Agreement.

"Majority" means, with respect to any Class or Classes of Notes, the Holders of more than 50% of the Aggregate Outstanding Amount of the Notes of such Class or Classes of Notes, as the case may be.

"Manager" means Aon Capital Managers, LLC, a Delaware limited liability company.

"Mandatory Expenses" means those Administrative Expenses that constitute any of the following, in the order of priority set forth below: (A)(i) Trustee's fees and expenses that must be paid in order to ensure that the Issuer and the Trustee can discharge their respective obligations hereunder under Section 6.08 and as otherwise set forth in the Indenture; (ii) the surveillance and other fees of the Rating Agency; (iii) the fees of the Trustee, as Paying Agent, Note Registrar, Custodian and Transfer Agent hereunder and, following the payment of the Mandatory Expenses specified in clauses (A)(i) through (iii); (B)(i) the Senior Servicing Fee, and (ii) if there is a replacement Servicer not affiliated with Aon Capital Managers, LLC, the Servicing Fee.

"Margin Stock" means "margin stock" as defined under Regulation U issued by the Board of Governors of the Federal Reserve System.

"Maturity" means, with respect to any Note, the date on which all Outstanding unpaid principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for Redemption or otherwise.

"Maximum Tax Distribution Amount" for each Member for each Interest Period of each fiscal year of the Issuer means an amount equal to the excess of (i) the lesser of (x) the sum of the Federal state and local income tax liability (less the effect of the deduction of state and local income taxes in computing the Federal income tax liability) of a Member (or if the Member is a partnership or limited liability company its members or partners), not to exceed a combined Federal, state and local effective income tax rate of forty percent (40%), with respect to the net taxable income of the Issuer allocated to (or reasonably estimated to be allocable to) such Member from the beginning of the fiscal year through the end of such Interest Period attributable to the items allocated to such Member under Article 5 of the Operating Agreement or (y) forty percent (40%) of the Net GAAP Cash Flows allocated to (or reasonably estimated to be allocated to) the Member from the beginning of the fiscal year through the end of such Interest Period over (ii) the aggregate Maximum Tax Distribution Amounts and the aggregate amount of Net Cash distributed to such Member pursuant to Section 6.1 or Section 6.2 of the Operating Agreement for all prior Interest Periods in such fiscal year.

"Measurement Date" means (a) the Closing Date, (b) each Determination Date occurring after the first anniversary of the Closing Date and (c) with at least five (5) Business Days' prior written notice to each of the parties hereto, any other Business Day that any Rating Agency or the Holders of at least 66-2/3% of the Aggregate Outstanding Amount of any Class of Notes requests be a "Measurement Date"; provided, that, if any such date would otherwise fall on a day that is not a Business Day, the relevant Measurement Date will be the next succeeding Business Day.

"Member" means a member of the Issuer under the Operating **Agreement.**

"Money" has the meaning specified in Section 1-201(24) of the **UCC.**

"Net Asset Value" means, on any Measurement Date, with respect to the Issuer, the aggregate value of the portfolio investments held by the Limited Partnerships, as most recently reported by the General Partners to the Issuer as a limited partner therein on or prior to such Measurement Date.

"Net Cash" means the gross cash derived by the Issuer from the Collateral Interests and other investments or assets held by the Issuer subject to the Priority of Payments set forth in Article XI hereof, including, without limitation, operating income, fees, interest and other income attributable to the Issuer's business, less the portion thereof used to pay principal and interest on the Notes, amounts owed to the Liquidity Facility Provider, Administrative Expenses and all other expenses of the Issuer, or established cash reserves for all Issuer expenses, payments, capital commitments, replacements and contingencies, all as determined by the Manager in accordance with the Indenture and the Operating Agreement. Net Cash shall be increased to the extent any previously established reserve is reduced.

"Net GAAP Cash Flows" means, with respect to the Issuer, for any Interest Period or any fiscal year or portion thereof the sum of (i) "Net Cash flows from Operating Activities" of the Issuer plus (ii) "Cash flows from Investing Activities" of the Issuer, each as defined for purposes of preparing statements of cash flows in accordance with generally accepted accounting principles in excess of amounts deemed the return of invested capital, both as included in the Issuer's quarterly statement of cash flows prepared in accordance with generally accepted accounting principles, less accrued but unpaid interest on the Notes and accrued but unpaid Administrative Expenses for the same period.

"Noteholder" has the meaning set forth under "Holder" above.

"Note Register" and "Note Registrar" have the respective meanings specified in Section 2.04(a).

"Note Reserve Account" means the Securities Account designated the "Note Reserve Account" and established in the name of the Trustee pursuant to Section 10.02.

"Note Reserve Account Maximum Balance" has the meaning specified in Section 9.01(b).

"Notes" means the Class A1 Notes, the Class A2 Notes, the Class B1 Notes and the Class B2 Notes, authorized by, and authenticated and delivered under, this Indenture.

"Quarterly Report" has the meaning specified in Section 10.04(a).

"Offer" means, with respect to any Security, (a) any offer by the issuer of such Security or by any other Person made to all of the holders of such Security to purchase or otherwise acquire such Security (other than pursuant to any redemption in accordance with the terms of the related Limited Partnership Agreements) or to convert or exchange such Security into or for Cash, securities or any other type of consideration or (b) any solicitation by the issuer of such Security or any other Person to amend, modify or waive any provision of such Security or any related Limited Partnership Agreement.

"Officer" means (a) with respect to the Issuer, any manager thereof or any Person to whom the rights and powers of management thereof are delegated in accordance with the Operating Agreement of the Issuer; (b) with respect to any corporation, the chairman of the board of directors (or any director, with respect to the Issuer), the president, any vice president, the secretary, an assistant secretary, the treasurer or an assistant treasurer of such entity; (c) with respect to any partnership, any general partner thereof;
(d) with respect to any limited liability company, any managing member or third-party manager thereof or any Person to whom the rights and powers of management thereof are delegated in accordance with the limited liability company agreement of such limited liability company; and
(e) with respect to any bank or trust company acting as trustee of an express trust or as Custodian, any Trust Officer.

"Operating Agreement" means the limited liability company operating agreement, dated as of December 31, 2001, of the Issuer, as amended and restated as of December 31, 2001.

"Opinion of Counsel" means a written opinion addressed to the Trustee and each Rating Agency (each, a "Recipient"), in form and substance reasonably satisfactory to each Recipient, of an attorney at law admitted to practice before the highest court of any state of the United States or the District of Columbia, which attorney may, except as otherwise expressly provided in this Indenture, be counsel for the Issuer and which attorney shall be reasonably satisfactory to the Trustee. Whenever an Opinion of Counsel is required hereunder, such Opinion of Counsel may rely on opinions of other counsel who are so admitted and so satisfactory which opinions of other counsel shall accompany such opinion of Counsel and shall either be addressed to each Recipient or shall state that each Recipient shall be entitled to rely thereon.

"Outstanding" means, with respect to the Notes or a particular Class of the Notes, as of any date of determination, all of (a) the Notes or (b) the Notes of such Class, as the case may be, theretofore authenticated and delivered under this Indenture except:

(i) Notes theretofore cancelled by the Note Registrar or delivered to the Note Registrar for cancellation;

(ii) Notes or portions thereof for whose payment or Redemption funds in the necessary amount have been theretofore irrevocably deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes; provided, that, if such Notes or portions thereof are to be redeemed, notice of such Redemption has been duly given pursuant to this Indenture or provision therefore satisfactory to the Trustee has been made;

(iii) Notes in exchange for, or in lieu of, other Notes which have been authenticated and delivered pursuant to this Indenture, unless proof satisfactory to the Trustee is presented that any such Notes are held by a Holder in due course; and

(iv) Notes alleged to have been mutilated, defaced, destroyed, lost or stolen for which replacement Notes have been issued as provided in Section 2.05;

provided, that in determining whether the Holders of the requisite Aggregate Outstanding Amount have given any request, demand, authorization, direction, notice, consent or waiver

hereunder, Notes beneficially owned by the Issuer or any other obligor upon the Notes or any Affiliate of any of them shall be disregarded and deemed not to be Outstanding and except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Trust Officer actually knows to be beneficially owned in the manner indicated above shall be so disregarded. Notes owned in the manner indicated above that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or such other obligor.

"Overcollateralization Ratio" means, as of any Measurement Date, the ratio (expressed as a percentage) obtained by dividing:

(a) the Risk Weighted Total Asset Value on such Measurement Date less, for such purpose, any amounts required to satisfy current obligations of the Issuer as specified in clauses (A) through (H) of
Section 11.01(a)(i) on the next succeeding Quarterly Distribution Date; by

(b) the Aggregate Outstanding Amount on such Measurement Date of the Class A1 Notes, Class A2 Notes and Class B1 Notes less, for such purpose, the application of funds by the Trustee pursuant to Sections 11.01(a)(ii)(B) through (E) but before any application of funds by the Trustee pursuant to Sections 11.01(a)(ii)(F) through (G) plus the outstanding principal amounts under the Liquidity Facility.

"Overcollateralization Test" means the test that measures the Overcollateralization Ratio for purposes of determining the application of funds in the Collection Account in accordance with Section 11.01(a)(ii).

"Paying Agent" means any Person authorized by the Issuer to pay the principal of or interest on any Notes and any amounts due with respect to the Preferred Units on behalf of the Issuer as specified in Section 7.02.

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

"PIK" means pay-in-kind and refers to the right of the Issuer

to pay interest on the Class B1 Notes and Class B2 Notes in securities identical to such Class B1 Notes or Class B2 Notes, as the case may be, in lieu of cash, on any Quarterly Distribution Date.

"PIK Class B Notes" means Class B1 Notes or Class B2 Notes which are issued in lieu of payments of interest on Class B Notes and which have the same terms and conditions as the Class B1 Notes or Class B2 Notes, as the case may be, issued on the Closing Date.

"Placement Agency Agreement" means the Placement Agency Agreement, dated on or about the Closing Date, between the Issuer and CIBC World Markets Corp. relating to the placement of the Class A Notes.

"Preferred Unitholders" means the Persons identified as the holders of the Preferred Units in the Issuer's Operating Agreement.

"Preferred Units" means, collectively, the Class P1 Preferred Units and the Class P2 Preferred Units, each of which units constitutes a non-voting preferred membership interest in the Issuer, with a stated value of $100,000 per interest, issued on the Closing Date pursuant to the Operating Agreement.

"Priority of Payments" has the meaning specified in Section 11.01(a).

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Qualified Institutional Buyer" has the meaning given in Rule **144A under the Securities Act.**

"Qualified Purchaser" means (i) a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act, (ii) a "knowledgeable employee" with respect to the Issuer within the meaning of Rule 3c-5 of the Investment Company Act or (iii) a company beneficially owned exclusively by one or more "qualified purchasers" and/or "knowledgeable employees" with respect to the Issuer within the meaning of Rule 3c-5 of the Investment Company Act.

"Quarterly Distribution Date" means March 31, June 30, September 30 and December 31 of each year; provided, that (i) the first Quarterly Distribution Date shall be March 31, 2002, (ii) the final Quarterly Distribution Date will be December 31, 2011, with respect to Class A Notes and December 31, 2013, with respect to Class B Notes and (iii) if any such date is not a Business Day, the related Quarterly Distribution Date will be the immediately following Business Day.

"Rate Cap Agreement" means the rate cap agreement dated as of the Closing Date between the Issuer and the Rate Cap Provider, as amended from time to time, having a notional amount equal to the original principal amount of the Class A1 Notes and providing for payments to the Trustee in the event that LIBOR exceeds 9%.

"Rate Cap Provider" means Canadian Imperial Bank of Commerce, and its successors and assigns; provided, however, that any Rate Cap Provider shall be at all times a Secured Party.

"Rating Agency" means Standard & Poor's, for so long as any Outstanding Notes are rated by Standard & Poor's. In the event that at any time Standard & Poor's ceases to be a Rating Agency, references to rating categories of Standard & Poor's in this Indenture shall be deemed instead to be references to the equivalent categories of such other rating agency as of the most recent date on which such other rating agency and Standard & Poor's published ratings for the type of Security in respect of which such alternative rating agency is used.

"Rating Confirmation" means, with respect to any action taken or to be taken under the Indenture, a written confirmation from each Rating Agency delivered to the Issuer and

the Trustee that such action will not result in the withdrawal, reduction or other adverse action with respect to any then-current rating of any Class of Notes rated by such Rating Agency.

"Rating Confirmation Test" means a test satisfied when the Issuer receives a Rating Confirmation.

"Record Date" means the date on which the Holders of Notes entitled to receive a payment in respect of principal or interest on the succeeding Quarterly Distribution Date or Redemption Date are determined, such date as to any Quarterly Distribution Date or Redemption Date being the 15th day (whether or not a Business Day) prior to such Quarterly Distribution Date or Redemption Date.

"Redemption" has the meaning specified in Section 9.01(a).

"Redemption Price" means (a) with respect to any Class A1 Note, Class A2 Note, Class B1 Note or Class B2 Note to be redeemed pursuant to Section 9.01, an amount (determined without duplication) equal to (i) the Aggregate Outstanding Amount of such Note being redeemed plus (ii) accrued interest thereon (including Defaulted Interest and interest on Defaulted Interest, if any).

"Redemption Threshold" has the meaning specified in Section 9.01(b).

"Registered" means, with respect to any debt obligation, a debt obligation (a) issued after July 18, 1984 and (b) in registered form for purposes of the Code.

"Registered Form" means, when used with respect to a Certificated Security, a form in which (a) the Security Certificate specifies a Person entitled to the Security and (b) a transfer of the Security may be registered upon books maintained for that purpose by or on behalf of the issuer of such Security, or the Security Certificate so states.

"Regulated Investor" means (i) any employee benefit plan (within the meaning of Section 3(3) of ERISA) that is subject to Title I of ERISA, (ii) any plan (within the meaning of Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, (iii) any governmental plan (within the meaning of Section 3(32) of ERISA) or church plan (within the meaning of Section 3(33) of ERISA) that is subject to any Similar Law or (iv) any Person acting on behalf of or investing the assets of a plan described in (i)-(iii).

"Regulation D" means Regulation D under the Securities Act.

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

"Regulation S Global Note" has the meaning set forth in Section 2.01(a).

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R. ss. 221, or any successor regulation.

"Relevant Jurisdiction" means, as to any issuer of any Collateral Interest, any jurisdiction (a) in which the issuer is incorporated, organized, managed and controlled or

considered to have its seat, (b) where an office through which the issuer is acting for purposes of the relevant Collateral Interest is located, (c) in which the issuer executes Limited Partnership Agreements or (d) in relation to any payment, from or through which such payment is made.

"Relevant Persons" has the meaning specified in Section 2.07.

"Restricted Global Note" has the meaning specified in Section 2.01(b).

"Risk Weighted Total Asset Value" means with respect to the **Issuer, as of a Measurement Date, the sum of (i) 50% of Net Asset Value; plus**

(ii) any amounts held by the Trustee in the Accounts, including the principal balance of any Eligible Investments.

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

"Rule 144A Information" means such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

"Rule 144A Transfer Certificate" means the certificates substantially in the form of Exhibit D hereto.

"Sale" has the meaning specified in Section 5.17.

"Scheduled Liquidity Commitment Termination Date" means December 31, 2013, as set forth in the Liquidity Facility Agreement, or such other date as may be specified in such agreement.

"Secured Parties" means the Noteholders, the Liquidity **Facility Provider, and the Rate Cap Provider.**

"Securities Account" means an account to which a Financial Asset is or may be credited in accordance with an agreement under which the Person maintaining the account undertakes to treat the Person for whom the account is maintained as entitled to exercise the rights that comprise the Financial Asset.

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

"Security" means, except as otherwise provided in Section 8-103 of the UCC, means an obligation of an issuer or a share, participation or other interest in an issuer or in property or an enterprise of an issuer (a) which is represented by a Security Certificate in Bearer Form or Registered Form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer, (b) which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations and (c) which either (i) is, or is of a type, dealt in or traded on securities exchanges or securities markets or (ii) is a medium for investment and by its terms expressly provides that it is a security governed by Article 8 of the UCC.

"Security Certificate" means a certificate representing a **Security.**

"Security Entitlement" has the meaning ascribed to it in the **UCC.**

"Senior Servicing Fee" shall mean as of any Quarterly Distribution Date one-half of the Servicing Fee then due and payable.

"Servicer" means Aon Capital Managers LLC or any successor thereof named in accordance with the Servicing Agreement.

"Servicing Agreement" means the Servicing Agreement, dated as of December 31, 2001, by and between the Issuer and the Servicer relating to certain functions to be performed by the Servicer for the Issuer with respect to this Indenture and the Collateral, as amended from time to time.

"Servicing Fee" shall have the meaning set forth in the **Servicing Agreement.**

"Similar Law" means any federal, state or local law that is, to a material extent, similar to Title I of ERISA or Section 4975 of the Code.

"Special Majority" means, with respect to any Class or Classes of Notes, the Holders of 66-2/3% of the Aggregate Outstanding Amount of the Notes of such Class or Classes of Notes, as the case may be.

"Specified Person" has the meaning specified in Section 2.05(a).

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor or successors thereto.

"Stated Maturity" means, with respect to (a) any Security (other than a Note), the date specified in such Security as the fixed date on which the final payment of principal of such Security is due and payable, (b) any repurchase obligation, the repurchase date thereunder on which the final repurchase obligation thereunder is due and payable, and (c) any Class A Note, December 31, 2011 and any Class B Note, December 31, 2013, or, in each case, if such date is not a Business Day, the next following Business Day.

"Subordinate Interests" has the meaning specified in Section 12.01(a) or (b), as applicable.

"Transaction Documents" means this Indenture, the Asset Sale Agreements, the Transfer, Assignment and Assumption Agreements, the Servicing Agreement, the Limited Partnership Agreements, the Liquidity Facility Agreement, the Operating Agreement, the Rate Cap Agreement, and the Placement Agency Agreement.

"Transfer Agent" means the Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes, as set forth in Section 2.04(a)(i).

"Transfer, Assignment and Assumption Agreements" means, collectively, the CICA SPE Transfer Agreement and the VSC SPE Transfer Agreement.

"Trustee" means The Bank of New York, a New York banking corporation, solely in its capacity as trustee hereunder, unless a successor Person shall have become the Trustee pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Person.

"Trust Officer" means, when used with respect to the Trustee, any Officer within the Corporate Trust Office (or any successor group of the Trustee) authorized to act for and on behalf of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer or any other Officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such Officers, respectively, or to whom any corporate trust matter is referred at the Corporate Trust Office because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"UCC" means the Uniform Commercial Code as in effect in the

**State of New York.**

"Uncertificated Security" means a Security that is not represented by a certificate.

"Unfunded Commitments" means, as of any date of determination in respect of a Collateral Interest, the aggregate amount of committed capital of the Issuer up to an aggregate amount of $169,000,000 not yet called by the General Partners of the relevant Limited Partnership pursuant to the terms of its Limited Partnership Agreement, which Unfunded Commitment as of the Closing Date, subject to increase up to $169,000,000 after the Closing Date, is indicated on Schedule I to each of the Asset Sale Agreements. Such amounts shall be reduced by funded Capital Calls and increased by distributions of capital by Limited Partnerships subject to recall.

"United States" and "U.S." means the United States of America, including the states thereof and the District of Columbia.

"Unregistered Securities" has the meaning specified in Section 5.17(c).

"U.S. Person" has the meaning given in Regulation S under the **Securities Act.**

"U.S. Resident" means a "U.S. resident" within the meaning of the Investment Company Act.

"VSC Asset Sale Agreement" means the Asset Sale Agreement dated as of December 31, 2001 between Virginia Surety Company ("VSC"), as seller, and VSC SPE, LLC, as buyer.

"VSC SPE Transfer Agreement" means the Transfer, Assignment and Assumption Agreement dated as of December 31, 2001 between VSC SPE, LLC, as seller, and the Issuer, as buyer.

SECTION 1.02 Rules of Construction. Unless the context otherwise clearly requires:

(a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(d) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(e) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein);

(f) any reference herein to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be; and

(g) all references in this instrument to designated "Articles", "Sections", "clauses" and other subdivisions are to the designated Articles, Sections, clauses and other subdivisions of this instrument as originally executed, and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, clause or other subdivision.

## ARTICLE II

## THE NOTES

SECTION 2.01 Forms Generally . (a) The Class A1 Notes offered and sold to Persons that are neither U.S. Persons nor U.S. Residents in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more permanent global notes in definitive, fully Registered Form without interest coupons, substantially in the form of the note attached as Exhibit A (each, a "Regulation S Global Note"), with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and such legends as may be applicable thereto, which shall be deposited with the Trustee at its Corporate Trust Office, as custodian for the Depository and registered in the name of a nominee of the Depository for credit to the applicable purchaser at Clearstream or Euroclear, duly executed by the Issuer and authenticated by the Trustee or the Authenticating Agent as hereinafter provided. The aggregate principal amount of each Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository or its nominee, as the case may be.

(b) The Class A1 Notes offered and sold in the United States or to U.S. Persons or U.S. Residents pursuant to an exemption from the registration requirements of the Securities Act shall be issued initially only in definitive, fully Registered Form without interest

coupons, substantially in the form of the note attached as Exhibit C (each, a "Certificated Note") and, subject to the delivery to the Trustee and the Issuer by the holder thereof of a Rule 144A Transfer Certificate, may subsequently be exchanged for one or more permanent global notes in definitive, fully Registered Form without interest coupons, substantially in the form of the note attached as Exhibit B (each, a "Restricted Global Note"), with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and such legends as may be applicable thereto, which shall be deposited with the Trustee at its Corporate Trust Office, as custodian for the Depository and registered in the name of a nominee of the Depository, duly executed by the Issuer and authenticated by the Trustee or the Authenticating Agent as hereinafter provided. The aggregate principal amount of each Restricted Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository or its nominee, as the case may be.

(c) The Class A2 Notes and Class B Notes shall be issuable only in the form of Certificated Notes, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as the Issuer may deem appropriate and as are not contrary to the provisions of this Indenture, or as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or of any automated quotation system, or to conform to usage, all as determined by the officers executing such Certificated Notes, as conclusively evidenced by their execution of the Certificated Notes.

The definitive Notes shall be prepared by the Issuer and shall be printed, lithographed or engraved on steel-engraved borders, or may be produced in any other manner, all as determined by the officers executing such Notes, as conclusively evidenced by their execution of such Notes, subject to the rules of any securities exchange or automated quotation system on which such Notes are listed or quoted and to the rules of the Trustee.

The Certificated Notes shall, upon issuance pursuant to Sections 2.03 and 2.04, be duly executed and delivered by the Issuer to the Trustee or the Authenticating Agent for authentication and redelivery as hereinafter provided.

(d) The Issuer, in issuing the Notes, may use "CUSIP" or "private placement" numbers (if then generally in use), and, if so, the Trustee will indicate the "CUSIP" or "private placement" numbers of the Notes in notices of Redemption and related materials as a convenience to Holders; provided, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of Redemption and related materials, and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer shall promptly notify the Trustee of any change in the "CUSIP" numbers.

SECTION 2.02 Authorized Amount; Interest Rate; Stated Maturity; Denominations; Ranking. (a) The aggregate principal amount of the Class A1 Notes, the Class A2 Notes and the Class B1 Notes which may be issued under this Indenture may not exceed

U.S.$285,000,000, excluding Notes issued upon registration of, transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 2.04, 2.05 or 8.05.

Such Notes shall bear interest at the Class A1 Note Interest Rate, Class A2 Note Interest Rate and Class B1 Note Interest Rate, respectively, which shall be payable on each Quarterly Distribution Date in accordance with the Priority of Payments. Such Notes shall be divided into Classes having the following designations, interest rates, original principal amounts and Stated Maturities:

| Designation | Original Principal Amount | Interest Rate | Stated Maturity |
|---|---|---|---|
| Class A1 Notes | US $170,000,000 | LIBOR + 1.25%, which spread shall increase to up to 1.90% | December 31, 2011 |
| Class A2 Notes | US $65,000,000 | LIBOR + 2.50% (not to exceed 11.50% per annum) | December 31, 2011 |
| Class B1 Notes | US $50,000,000 | LIBOR + 3.75 (not to exceed 12.75% per annum) | December 31, 2013 |

(b) The Issuer may issue Class B2 Notes under this Indenture from time to time; provided that at the time of any such issuance the aggregate principal amount outstanding, excluding any PIK Class B2 Notes, does not exceed $169,000,000. The Class B2 Notes shall have a stated maturity of December 31, 2013 and bear interest at the Class B2 Note Interest Rate. The Issuer shall issue Class B2 Notes from time to time to VSC SPE and CICA SPE under the CICA SPE Transfer Agreement and the VSC SPE Transfer Agreement in principal amounts equal to the amounts required to satisfy any Capital Calls by the General Partners, as provided in the relevant Limited Partnership Agreement.

The Notes shall be issuable in minimum denominations of US$100,000 and integral multiples of US$1,000 in excess thereof. After issuance, any Note may fail to be in such required minimum denominations due to the repayment of principal thereof in accordance with the Priority of Payments.

The purchase price for such Class B2 Notes shall be paid directly by VSC SPE and CICA SPE to the relevant Limited Partnership as directed by the Servicer. The Issuer shall provide via facsimile, with confirmation via overnight courier, written notice to the Rating Agency upon receipt of a Capital Call for which Class B2 Notes are intended to be issued, but not later than one Business Day after receipt of such Capital Call, and shall further provide updated information to the Rating Agency in respect of the Issuer's statistical model showing the impact of such Class B2 Notes. Prior to the issuance of any Class B2 Notes pursuant to this Section 2.02(b), the Issuer will solicit a Rating Confirmation with respect to the outstanding Class A and Class B Notes.

In addition, no later than the fifth Business Day after the date of termination of a Limited Partnership in respect of a Collateral Interest, the Servicer shall provide notice thereof to

the Trustee and to VSC SPE, CICA SPE, VSC and CICA, and if any of the Class A Notes remain outstanding, no later than the fifth Business Day following receipt of such notice the Issuer shall issue to VSC SPE and CICA SPE, in accordance with the CICA SPE Transfer Agreement and the VSC SPE Transfer Agreement, Class B2 Notes in an aggregate principal amount equal to the remaining Unfunded Commitment relating to such Collateral Interest as of the date of such notice. All proceeds received by the Issuer from the issuance of such Class B2 Notes shall be immediately deposited in the Collection Account and thereupon become Collateral for purposes of the Indenture. Such amounts shall be applied by the Trustee in accordance with the Priority of Payments.

Notwithstanding the foregoing, any funds received by the Issuer from the General Partners in respect of the Collateral Interests from and after the date hereof that result from either (i) the failure of such General Partners to invest or otherwise utilize amounts paid by the Issuer in response to Capital Calls funded using the proceeds of Class B2 Notes or (ii) the return by such General Partners to the Issuer of the proceeds of any investment made or supported from a Capital Call funded using the proceeds of Class B2 Notes shall be immediately deposited in the Collection Account and shall thereupon become Collateral for purposes of this Indenture. Such amounts shall be applied by the Trustee in accordance with the Priority of Payments.

(c) The Class A1 Notes shall rank senior in right of payment of interest and principal to the Class A2 Notes, the Class B1 Notes and the Class B2 Notes. All Class A1 Notes issued under this Indenture shall be in all respects equally and ratably entitled to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Indenture. Payments of principal and interest on the Class A1 Notes shall be made pro rata among all Outstanding Class A1 Notes, without preference or priority of any kind.

(d) The Class A2 Notes shall rank senior in right of payment of interest and principal to the Class B1 Notes and the Class B2 Notes and shall be subordinated to the Class A1 Notes. All Class A2 Notes issued under this Indenture shall be in all respects equally and ratably entitled to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Indenture. Payments of principal and interest on the Class A2 Notes shall be made pro rata among all Outstanding Class A2 Notes, without preference or priority of any kind.

(e) The Class B1 Notes shall rank senior in right of payment of interest and principal to the Class B2 Notes and shall be subordinated to the Class A Notes to the extent set forth herein. All Class B1 Notes issued under this Indenture shall be in all respects equally and ratably entitled to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Indenture. Payments of principal and interest on the Class B1 Notes shall be made pro rata among all Outstanding Class B1 Notes, without preference or priority of any kind.

(f) The Class B2 Notes shall be subordinated to the Class A1 Notes, the Class A2 Notes and the Class B1 Notes to the extent set forth herein. All Class B2 Notes issued under this Indenture shall be in all respects equally and ratably entitled to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and

delivery, all in accordance with the terms and provisions of this Indenture. Payments of principal and interest on the Class B2 Notes shall be made pro rata among all Outstanding Class B2 Notes, without preference or priority of any kind.

(g) Interest shall accrue on the Aggregate Outstanding Amount of each Class of Notes (determined as of the first day of each Interest Period and after giving effect to any payment of principal occurring on such day) from the Closing Date or the Additional Closing Date, as applicable, and will be payable in arrears on each Quarterly Distribution Date in accordance with the Priority of Payments; provided that with respect to the Class B Notes, to the extent interest accrued for any Due Period is not paid on the next succeeding Quarterly Distribution Date, such unpaid interest shall be paid by the issuance of PIK Class B Notes having the same class designation as the Notes for which interest is owed. The Issuer shall promptly cause to be executed and authenticated PIK Class B Notes and deliver such notes to the person entitled thereto (or to the Trustee or the authentication agent in custody for such Person). Interest accruing for any Interest Period shall accrue for the period from and including the first day of such Interest Period to and including the last day of such Interest Period. Interest on the Notes and interest on Defaulted Interest in respect thereof will be computed on the basis of a 360-day year and the actual number of days elapsed.

(h) The Notes shall be mandatorily redeemable as provided in Article IX.

(i) The Depository for the Global Notes shall initially be DTC.

(j) The Notes of each Class shall be numbered, lettered or otherwise distinguished in such manner as may be consistent herewith, determined by the Authorized Officers of the Issuer executing such Notes as evidenced by their execution of such Notes.

SECTION 2.03 Execution, Authentication, Delivery and Dating.
(a) The Notes shall be executed on behalf of the Issuer by an Authorized Officer of the Issuer. The signatures of such Authorized Officers on the Notes may be manual or facsimile (including in counterparts).

(b) Notes bearing the manual or facsimile signatures of an individual who was at any time the Authorized Officer of the Issuer shall bind the Issuer, notwithstanding the fact that such individual has ceased to hold such office prior to the authentication and delivery of such Notes or did not hold such office at the date of issuance of such Notes.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Notes, executed by the Issuer to the Trustee or the Authenticating Agent for authentication, and the Trustee or the Authenticating Agent, upon Issuer Order, shall authenticate and make available for delivery to or upon the written order of the Issuer such Notes as provided in this Indenture and not otherwise.

(d) Each Note authenticated and made available for delivery to or upon the written order of the Issuer by the Trustee or the Authenticating Agent to or upon Issuer Order on the Closing Date or the Additional Closing Date, as the case may be shall be dated as of the Closing Date or the Additional Closing Date, as applicable. All other Notes that are

authenticated after the Closing Date or the Additional Closing Date, as the case may be, for any other purpose under this Indenture shall be dated the date of their authentication.

(e) Notes issued upon transfer, exchange or replacement of other Notes shall be issued in authorized denominations reflecting the original aggregate principal amount of the Notes so transferred, exchanged or replaced, but shall represent only the current Aggregate Outstanding Amount of the Notes so transferred, exchanged or replaced. In the event that any Note is divided into more than one Note in accordance with this Article II, the original principal amount of such Note shall be proportionately divided among the Notes delivered in exchange therefor and shall be deemed to be the original aggregate principal amount of such subsequently issued Notes.

(f) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication (the "Certificate of Authentication"), substantially in the form provided for herein, executed by the Trustee or by the Authenticating Agent by the manual signature of one of their Authorized Officers, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

SECTION 2.04 Registration, Transfer and Exchange of Notes.

(a) Registration.

(i) The Trustee is hereby appointed as the registrar with respect to the Notes (the "Note Registrar"). The Trustee is hereby appointed as a Transfer Agent with respect to the Notes. The Note Registrar shall keep a register (the "Note Register") at the Corporate Trust Office in which, subject to such reasonable regulations as it may prescribe, the Note Registrar shall provide for the registration of Notes and the registration of transfers of Notes. Such Note Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. Upon any resignation or removal of the Note Registrar, the Issuer shall promptly appoint a successor or, in the absence of such appointment, assign the duties of the Note Registrar to the Servicer.

(ii) Subject to this Section 2.04, upon surrender for registration of transfer of any Notes at the office or agency of the Issuer to be maintained as provided in Section 7.02, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount.

(iii) At the option of the Holder, Notes may be exchanged for Notes of like terms, in any authorized denominations and of like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Note is surrendered for exchange, the Issuer shall execute and the Trustee shall authenticate and deliver the Notes that the Noteholder making the exchange is entitled to receive.

(iv) All Notes issued and authenticated upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing

the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

(v) Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Note Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

(vi) No service charge shall be made to a Holder for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

(vii) No Note may be sold or transferred (including, without limitation, by pledge or hypothecation) unless such sale or transfer is exempt from the registration requirements of the Securities Act and is exempt under applicable securities laws of any state thereof of any other jurisdiction.

(viii) No Note may be offered, sold or delivered except (a) to Persons that are either Institutional Accredited Investors or Qualified Institutional Buyers and, in either case, are Qualified Purchasers, purchasing for their own account or for the accounts of one or more Institutional Accredited Investors or Qualified Institutional Buyers that, in either case, are Qualified Purchasers, (b) in accordance with the provisions of this Article II, and (c) in a transaction exempt from the registration requirements of the Securities Act, and any resale of a Note may only be made in a transaction exempt from the registration requirements of the Securities Act to Persons that are either Institutional Accredited Investors or Qualified Institutional Buyers and who are also Qualified Purchasers, in each case purchasing for their own account or for the accounts of one or more Institutional Accredited Investors or Qualified Institutional Buyers that are also Qualified Purchasers. The Notes may also be sold or resold, as the case may be, in offshore transactions to Persons that are neither U.S. Persons nor U.S. Residents and that are also Qualified Purchasers in reliance on Regulation S. Interest in any Regulation S Global Note may not be transferred to a U.S. Person or a U.S. Resident at any time.

(b) Transfers of Notes.

(i) Subject to the provisions of this Section 2.04, so long as a Restricted Global Note remains Outstanding and is held by or on behalf of the Depository, exchanges or transfers of beneficial interests in such Restricted Global Note may be made only in accordance with the rules and regulations of the Depository and the transfer restrictions contained in the legend on such Restricted Global Note and exchanges or transfers of interests in a Restricted Global Note may be made only in accordance with the following additional requirements:

(A) Subject to clauses (B) through (D) of this Section 2.04(b)(i), transfers of a Restricted Global Note shall be limited to transfers of such Restricted Global Note in whole, but not in part, to nominees

of the Depository or to a successor of the Depository or such successor's nominee.

(B) The Trustee shall cause the exchange or transfer of any beneficial interest in a Restricted Global Note for a beneficial interest in a Regulation S Global Note upon delivery to the Trustee and the Issuer of a Regulation S Transfer Certificate executed by the transferor and the transferee and stating, among other things, that the transfer is being made to a Person that is neither a U.S. Person nor a U.S. Resident, and that is also a Qualified Purchaser, in an offshore transaction within the meaning of Regulation S.

(C) An owner of a beneficial interest in a Restricted Global Note may transfer such interest in the form of a beneficial interest in such Restricted Global Note to a transferee who is both a Qualified Institutional Buyer and a Qualified Purchaser upon written certification as to compliance with the transfer restrictions.

(D) Interests in the Restricted Global Note may also be exchanged for Certificated Notes in certain limited circumstances as described in Section 2.04(b)(iv).

(ii) Subject to the provisions of this Section 2.04, so long as a Regulation S Global Note remains Outstanding and is held by or on behalf of the Depository, exchanges or transfers of beneficial interests in such Regulation S Global Note may be made only in accordance with the rules and regulations of the Depository and the transfer restrictions contained in the legend on such Regulation S Global Note and exchanges or transfers of interests in a Regulation S Global Note may be made only in accordance with the following additional requirements:

(A) Subject to clauses (B) through (D) of this Section 2.04(b)(ii), transfers of a Regulation S Global Note shall be limited to transfers of such Regulation S Global Note in whole, but not in part, to nominees of the Depository or to a successor of the Depository or such successor's nominee.

(B) The Trustee shall cause the exchange or transfer of any beneficial interest in a Regulation S Global Note for a beneficial interest in a Restricted Global Note upon delivery to the Trustee and the Issuer of a Rule 144A Transfer Certificate, executed by the transferor and the transferee and stating, among other things, that the transferee is both a Qualified Institutional Buyer and a Qualified Purchaser.

(C) An owner of a beneficial interest in a Regulation S Global Note may transfer such interest in the form of a beneficial interest in such Regulation S Global Note. Each transferee of a beneficial interest in a Regulation S Global Note will be deemed to have

represented that it is not a U.S. Person, that it is a Qualified Purchaser, and has acquired such beneficial interest in an offshore transaction within the meaning of Regulation S without the provision of written certification; provided, that the transferred interest must be held through Euroclear or Clearstream until the end of the Distribution Compliance Period.

(D) Interests in the Restricted Global Note may be exchanged for Certificated Notes in certain limited circumstances as described in Section 2.04(b)(iv).

(iii) Upon acceptance for exchange or transfer of a beneficial interest in a Global Note, or upon partial Redemption, each as provided herein, the Trustee shall instruct the Depository to adjust the principal amount of such Global Note on its records to evidence the date of such exchange, transfer or Redemption and the change in the principal amount of such Global Note. Notwithstanding anything to the contrary contained herein, transfers and exchanges of interests in a Global Note shall be recorded only in the book-entry system of the Depository, and any increase or decrease of the principal amount of such Global Note shall be recorded by an appropriate adjustment in the records of the Note Registrar and the Depository in accordance with the rules and regulations of the Depository.

(iv) Interests in a Global Note deposited with or on behalf of the Depository pursuant to Section 2.01 hereunder shall be transferred to the owners of such interests in the form of Certificated Notes only if such transfer otherwise complies with this Section 2.04 (including clauses (b)(i), (b)(ii) and (b)(iii)) and (1) the Depository notifies the Issuer that it is unwilling or unable to continue as Depository for the Notes, (2) the Depository ceases to be a "clearing agency" registered under the Exchange Act and a successor Depository is not appointed by the Issuer within 90 days of such notice, (3) the transferee of an interest in a Global Note is required by law to take physical delivery of securities in definitive form or (4) the transferee is otherwise unable to pledge its interest in a Global Note.

(v) Subject to the provisions of this Section 2.04 and to any additional restrictions on transfer or exchange specified in the Certificated Notes, the Noteholder of any Certificated Note may transfer or exchange the same in whole or in part (in a principal amount equal to the minimum authorized denomination or any authorized greater amount) by surrendering such Certificated Note at the Corporate Trust Office or at the office of any Transfer Agent, together with (A) in the case of any transfer, an executed instrument of assignment, (B) in the case of any exchange, a written request for exchange, (C) a duly executed Rule 144A Transfer Certificate or Regulation S Transfer Certificate, as applicable, in the form of Exhibit D or Exhibit E, executed by the transferee and (D) a certification from the transferee to the effect that such transferee either (x) is not a Regulated Investor or (y) is a Regulated Investor and its acquisition and continued holding of the Certificated Note will be covered by a prohibited transaction Class exemption issued by the U.S. Department of Labor (or, if the transferee is a governmental plan or church plan, will not result in a violation of any Similar Law);

provided, however, that any Certificated Note may also be transferred to a transferee who is an Institutional Accredited Investor in accordance with Regulation D under the Securities Act.

(vi) Following a proper request for transfer or exchange of Certificated Notes as set forth in clause (b)(v) above, the Trustee shall (provided, that it has available in its possession an inventory of Certificated Notes), within five (5) Business Days of such request if made at such Corporate Trust Office, or within ten (10) Business Days if made at the office of a Transfer Agent (other than the Trustee), authenticate and make available at such Corporate Trust Office or at the office of such Transfer Agent, as the case may be, to the transferee (in the case of transfer) or Noteholder (in the case of exchange) or send by first class mail (at the risk of the transferee in the case of transfer or Noteholder in the case of exchange) to such address as the transferee or Noteholder, as applicable, may request, a Certificated Note or Notes, as the case may require, for a like aggregate principal amount and in such authorized denomination or denominations as may be requested. The presentation for transfer or exchange of any Certificated Note shall not be valid unless made at the Corporate Trust Office or at the office of a Transfer Agent by the registered Noteholder in person, or by a duly authorized attorney-in-fact.

(vii) If interests in any Global Note are to be transferred to the Beneficial Owners thereof in the form of Certificated Notes pursuant to Section 2.04(b)(iv), such Global Note shall be surrendered by the Depository, or its custodian on its behalf, to the Corporate Trust Office or to the Transfer Agent located in the Borough of Manhattan, the City of New York, and the Trustee shall authenticate and deliver without charge, upon such transfer of interests in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations. The Certificated Notes transferred pursuant to this Section 2.04 shall be executed, authenticated and delivered only in the denominations specified in Section 2.02(b), and registered in such names as the Depository shall direct in writing.

(viii) For so long as one or more Global Notes are Outstanding:

(A) the Trustee and its directors, officers, employees and agents may deal with the Depository for all purposes (including the making of distributions on, and the giving of notices with respect to, the Global Notes);

(B) unless otherwise provided herein, the rights of Beneficial Owners shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Owners and the Depository;

(C) for purposes of determining the identity of and principal amount of Notes beneficially owned by a Beneficial Owner, the records of the Depository shall be conclusive evidence of such identity and principal amount and the Trustee may conclusively rely on such records when acting hereunder;

(D) the Depository will make book-entry transfers among the Depository Participants of the Depository and will receive and transmit distributions of principal of and interest on the Global Notes to such Depository Participants; and

(E) the Depository Participants of the Depository shall have no rights under this Indenture under or with respect to any of the Global Notes held on their behalf by the Depository, and the Depository may be treated by the Trustee and its agents, employees, Officers and directors as the absolute owner of the Global Notes for all purposes whatsoever.

(ix) Each Note issued upon registration of transfer or exchange of Notes pursuant to this Section shall be the valid obligation of the Issuer, evidencing the same indebtedness and entitled to the same benefits under this Indenture as the Note or Notes surrendered upon registration of such transfer or exchange.

(c) Deemed Representations. Each Holder of a Certificated Note shall represent, and each owner of a beneficial interest in a Global Note will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S shall have the meanings assigned therein):

(i) Such Noteholder or owner of a beneficial interest in a Global Note is either:

(A) an Institutional Accredited Investor or a "qualified institutional buyer" within the meaning of Rule 144A, is aware that the sale of the beneficial interest in Notes to it is being made in reliance on Regulation D under the Securities Act or Rule 144A and it is acquiring such beneficial interest for its own account; and

(1) it is a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act and is acquiring such Notes for its own account, and

(2) it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers;

(3) it is not a participant-directed employee plan, such as a 401(k) plan; and

(4) it will provide notice of the transfer restrictions described in this Section 2.04 to any subsequent transferees; or

(B) not a U.S. Person and is acquiring such Notes for its own account and is a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act.

(ii) Such Noteholder or owner of a beneficial interest in a Global Note understands that the Notes have not been registered under the Securities Act and that it may not offer, sell, pledge or otherwise transfer any Notes except (a) to a Person who the transferor reasonably believes is a "qualified institution buyer" in a transaction meeting the requirements of Rule 144A and who is also a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act; or (b) to a Person who is not a U.S. Person and who is also a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S; or (c) pursuant to another exemption from registration under the Securities Act (if available), and in each case in accordance with all applicable securities laws of the States of the United States. Such Holder or owner acknowledges that no representation is made by the Issuer as to the availability of any exemption under the Securities Act for the resale of the Notes.

(iii) Such Noteholder or owner of a beneficial interest in a Global Note understands that the Notes will bear legends to the effect provided for in Exhibit C, unless the Issuer provides to the Trustee an Opinion of Counsel that states that such legends may be removed without violating any applicable law.

(iv) If any such Noteholder or owner of a beneficial interest in a Global Note who is required to be a Qualified Institutional Buyer and a Qualified Purchaser, is at any time not such a Qualified Institutional Buyer and a Qualified Purchaser, the Issuer may require such Noteholder or owner of a beneficial interest in a Global Note to sell its Notes in accordance with Section 2.10.

(v) Such Noteholder or owner of a beneficial interest in a Global Note either (a) is not a Regulated Investor or (b) is a Regulated Investor and its acquisition and continued holding of such Note or beneficial interest is covered by a prohibited transaction class exemption issued by the U.S. Department of Labor (or, in the case of a Regulated Investor that is a governmental plan or church plan, will not result in a violation of any Similar Law).

(vi) The Noteholder or owner of a beneficial interest in a Global Note understands that the Notes have not been approved or disapproved by the SEC or any other governmental authority or agency of any jurisdiction, nor has the SEC or any other governmental authority or agency passed upon the accuracy or adequacy of any offering materials with respect to the Notes. Any representation to the contrary is a criminal offence.

(vii) The Noteholder or owner of a beneficial interest in a Global Note agrees that no Note (or any interest therein) may be sold, pledged or otherwise transferred in a denomination of less than the required minimum denomination set forth in Section 2.02, nor may such Noteholder or owner of a beneficial interest in a Global Note hold less than the required minimum denomination after giving effect to such transfer.

(viii) The Noteholder or owner of a beneficial interest in a Global Note understands that there is no market for the Notes and that no assurance can be given as to

the liquidity of any trading market for the Notes and that it is unlikely that a trading market for the Notes will develop. Accordingly, the purchaser must be prepared to hold the Notes for an indefinite period of time or until their Stated Maturity.

(ix) The Noteholder or owner of a beneficial interest in a Global Note agrees that (a) any sale, pledge or other transfer of a Note (or any interest therein) made in violation of the transfer restrictions contained in Section 2.04, or made based upon any false or inaccurate representation made by the purchaser or a transferee to the Issuer, will be void and of no force or effect and (b) none of the Issuer, the Trustee or the Note Registrar has any obligation to recognize any sale, pledge or other transfer of a Note (or any interest therein) made in violation of any such transfer restriction or made based upon any such false or inaccurate representation.

(x) The Noteholder or owner of a beneficial interest in a Global Note acknowledges that the Issuer, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or warranties made or deemed to have been made by it in connection with its purchase of the Notes are no longer accurate, the purchaser will promptly notify the Issuer.

(d) No Person may hold a beneficial interest in any Note except in a denomination authorized for the Notes of such Class under Section 2.02(b). Any purported transfer that is not in compliance with this Section 2.04 will be void.

(e) Any Note issued upon the transfer, exchange or replacement of Notes shall bear such applicable legend set forth in the relevant Exhibit hereto unless there is delivered to the Trustee, the Note Registrar, and the Issuer an Opinion of Counsel to the effect that neither such applicable legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A and to ensure that neither of the Issuer nor the pool of Collateral becomes an investment company required to be registered under the Investment Company Act. Upon provision of such Opinion of Counsel, the Trustee and the Issuer, shall authenticate and deliver Notes that do not bear such applicable legend.

(f) Transfer, registration and exchange shall be permitted as provided in this Section 2.04 without any charge to the Noteholder except for the expenses of delivery (if any) not made by regular mail. Registration of the transfer of a Note by the Trustee shall be deemed to be the acknowledgement of such transfer on behalf of the Issuer. Notwithstanding the foregoing, the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.05 not involving any transfer.

(g) Upon final payment due on the Maturity of a Note, the Holder thereof shall present and surrender such Note at the Corporate Trust Office of the Trustee or at the office of any Paying Agent.

(h) The Issuer will not purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the Outstanding Notes except upon the Redemption of the Notes in

accordance with the terms of this Indenture and the Notes. The Issuer will promptly cancel all Notes acquired by them pursuant to any payment, purchase, Redemption, prepayment or other acquisition of Notes pursuant to any provision of this Indenture and no Notes may be issued in substitution or exchange for any such Notes.

(i) Notwithstanding anything contained herein to the contrary, neither the Trustee nor the Note Registrar shall be responsible for ascertaining whether any transfer complies with the registration provisions of or exemptions from the Securities Act, applicable state or federal securities laws, the rules of any Depository, ERISA, the Code or the Investment Company Act; provided, that if a certificate is specifically required by the express terms of this Section 2.04 to be delivered to the Trustee or the Note Registrar by a purchaser or transferee of a Note, then the Trustee or the Note Registrar, as the case may be, shall be under a duty to receive and examine the same to determine whether such certificate conforms with the express terms of this Indenture and shall promptly notify the party delivering the same and the Issuer if such certificate does not conform with such terms.

(j) Promptly after completion of distribution of the Notes, the Issuer shall deliver to the Trustee a certificate identifying such date and specifying the date on which the Distribution Compliance Period will expire. Absent receipt of such certificate, the Trustee and the Note Registrar shall be entitled to assume that the Distribution Compliance Period has not expired. Notwithstanding the foregoing, the Distribution Compliance Period shall not terminate until the Trustee and the Note Registrar have received a written certificate from the Depository, together with copies of certificates from Euroclear and Clearstream, certifying that they have received certification of non-U.S. beneficial ownership of 100% of the aggregate principal amount of each Regulation S Global Note (except to the extent of any Beneficial Owners thereof who acquired an interest therein during the Distribution Compliance Period pursuant to another exemption from registration under the Securities Act).

(k) The Issuer will promptly make available to the Trustee without charge a reasonable supply of Certificated Notes in definitive, fully Registered Form, without interest coupons.

(l) Notwithstanding any other provision in this Indenture to the contrary, no Person who is not a U.S. Person may hold a beneficial interest in the Class B Notes.

SECTION 2.05 Mutilated, Defaced, Destroyed, Lost or Stolen Notes. If (a) any mutilated or defaced Note is surrendered to a Transfer Agent, or if there shall be delivered to the Issuer, the Trustee and the Transfer Agent (each, a "Specified Person") evidence to their reasonable satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Specified Persons such security or indemnity as may reasonably be required by them to save each of them harmless then, in the absence of notice to the Specified Persons that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and shall direct the Trustee to authenticate, and upon Issuer Request the Trustee shall authenticate and deliver, in lieu of any such mutilated, defaced, destroyed, lost or stolen Note, a new Note of the same Class as such mutilated, defaced, destroyed, lost or stolen Note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, dated the date of its authentication, bearing interest from the date to which interest has been paid on the mutilated,

defaced, destroyed, lost or stolen Note and bearing a number not contemporaneously Outstanding.

If, after delivery of such new Note, a bona fide purchaser of the predecessor Note presents for payment, transfer or exchange such predecessor Note, the Specified Persons shall be entitled to recover such new Note from the Person to whom it was delivered or any Person taking therefrom, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Specified Persons in connection therewith.

In case any such mutilated, defaced, destroyed, lost or stolen Note has become due and payable, the Issuer in its discretion may, instead of issuing a new Note, pay such Note without requiring surrender thereof except that any mutilated Note shall be surrendered.

Upon the issuance of any new Note under this Section 2.05, the Issuer, the Trustee or any Transfer Agent may require the payment by the registered holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Note issued pursuant to this Section 2.05 in lieu of any mutilated, defaced, destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer and such new Note shall be entitled, subject to the second paragraph of this Section 2.05, to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 2.05 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, defaced, destroyed, lost or stolen Notes.

SECTION 2.06 Payment of Principal and Interest; Rights Preserved. (a) Each Class of Notes shall accrue interest during each Due Period applicable to such Class at the applicable Interest Rate. Interest on each Class of Notes shall be due and payable on each Quarterly Distribution Date; provided, that (i) payment of interest on the Class A2 Notes shall be subordinated to the payment on each Quarterly Distribution Date of the interest due and payable on the Class A1 Notes (together with Defaulted Interest thereon and interest on Defaulted Interest, if any), (ii) payment of interest on the Class B1 Notes shall be subordinated to the payment on each Quarterly Distribution Date of the interest due and payable on the Class A1 Notes and Class A2 Notes (together with Defaulted Interest thereon and interest on such Defaulted Interest, if any), (iii) payment of interest on the Class B2 Notes shall be subordinated to the payment on each Quarterly Distribution Date of the interest due and payable on the Class A1 Notes and Class A2 Notes (together with Defaulted Interest thereon and interest on such Defaulted Interest, if any), and (iv) payments of interest on all Notes are subordinated to the payment on each Quarterly Distribution Date of other amounts in accordance with the Priority of Payments. Except as provided in Section 5.05, no payment shall be made by the Issuer hereunder other than on a Quarterly Distribution Date.

Interest will cease to accrue on each Note, or in the case of a partial repayment of principal, on such portion of the principal that has been repaid, from the date of repayment or Stated Maturity unless payment of principal is improperly withheld or unless Default is otherwise made with respect to such payments. To the extent lawful and enforceable, interest shall accrue on any Defaulted Interest on the Notes at the applicable Interest Rate until paid as provided herein.

(b) The principal of each Note shall be payable no later than the Stated Maturity thereof unless the unpaid principal of such Note becomes due and payable at an earlier date by declaration of acceleration, call for Redemption or otherwise; provided, that, so long as any Class A Notes are Outstanding, except as provided in Article IX and the Priority of Payments, the payment of principal of the Class B Notes (x) may only occur after principal of the Class A Notes has been paid in full and (y) shall be subordinated to the payment on each Quarterly Distribution Date of the principal and interest due and payable on the Class A Notes and other amounts payable in accordance with the Priority of Payments.

(c) Principal will not be payable on any Class of Notes prior to their Maturity except upon the occurrence of a Redemption and in accordance with Article XI.

(d) As a condition to the payment of any principal of or interest on any Note without the imposition of withholding tax, any Paying Agent shall require certification acceptable to it to enable the Issuer, the Trustee and any Paying Agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to pay, deduct or withhold in respect of such Note or the Holder of such Note under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation.

(e) Payments in respect of principal of and interest on the Notes shall be payable by wire transfer in immediately available funds to a Dollar account maintained by the Noteholders in accordance with wire transfer instructions received by any Paying Agent on or before the Record Date or, if no wire transfer instructions are received by a Paying Agent, by a Dollar check drawn on a bank in the United States mailed to the address of such Noteholder as it appears on the Note Register at the close of business on the Record Date for such payment.

(f) The principal of and interest on any Note which is payable on a Redemption Date or in accordance with the Priority of Payments on a Quarterly Distribution Date and is punctually paid or duly provided for on such Redemption Date or Quarterly Distribution Date shall be paid to the Person in whose name that Note (or one or more predecessor Notes) is registered at the close of business on the Record Date for such payment. All such payments that are mailed or wired and returned to the relevant Paying Agent shall be held for payment as herein provided at the office or agency of the Issuer to be maintained as provided in Section 7.02.

Payments to Holders of the Notes of each Class shall be made in the proportion that the Aggregate Outstanding Amount of the Notes of such Class registered in the name of

each such Holder on the Record Date for such payment bears to the Aggregate Outstanding Amount of all Notes of such Class on such Record Date.

(g) Payment of any Defaulted Interest may be made in any other lawful manner in accordance with the Priority of Payments if notice of such payment is given by the Trustee to the Issuer and the Noteholders, and such manner of payment shall be deemed practicable by the Trustee.

(h) All reductions in the principal amount of a Note (or one or more predecessor Notes) effected by payments of installments of principal made on any Quarterly Distribution Date or Redemption Date shall be binding upon all future Holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note.

(i) Notwithstanding anything contained herein to the contrary, the obligations of the Issuer under the Notes and this Indenture are limited-recourse obligations of the Issuer, payable solely from the Collateral and following realization on the Collateral, any claims of the Noteholders shall be extinguished and shall not thereafter be revived. No recourse shall be had against any Officer, member, manager, employee, securityholder or administrator of the Issuer or their respective successors or assigns for the payment of any amounts payable under the Notes or this Indenture. It is understood that the foregoing provisions of this Section 2.06(i) shall not (i) prevent recourse to the Collateral for the sums due or to become due under any Security, instrument or agreement which is part of the Collateral or (ii) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Notes or secured by this Indenture until such Collateral has been realized, whereupon any outstanding indebtedness or obligation shall be extinguished and shall not thereafter be revived. It is further understood that the foregoing provisions of this Section 2.06(i) shall not limit the right of any Person to name the Issuer as a party defendant in any action or suit or in the exercise of any other remedy under the Notes or this Indenture, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Person or entity.

(j) Subject to the foregoing provisions of this Section 2.06 and the provisions of Sections 2.04 and 2.05, each Note delivered under this Indenture and upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights of unpaid interest and principal that were carried by such other Note.

SECTION 2.07 Persons Deemed Owners. The Issuer, the Trustee and any agent of any of them (collectively, the "Relevant Persons") may treat the Person in whose name any Note on the Note Register is registered as the owner of such Note on the applicable Record Date for the purpose of receiving payments of principal of and interest on such Note and on any other date for all other purposes whatsoever (whether or not such Note is overdue), and no Relevant Person shall be affected by notice to the contrary.

SECTION 2.08 Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption, or deemed lost or stolen, shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee, shall promptly be cancelled by it and may not be reissued or resold. No Notes shall be authenticated in lieu of or in exchange for

any Notes cancelled as provided in this Section 2.08, except as expressly permitted by this Indenture. All cancelled Notes held by the Trustee shall be destroyed or held by the Trustee in accordance with its standard retention policy unless the Issuer shall direct by an Issuer Order that they be returned to it. Any Notes purchased by the Issuer shall be immediately delivered to the Trustee for cancellation.

SECTION 2.09 Section 3(c)(7) Procedures. (a) The Issuer will direct DTC to take the following steps in connection with the Restricted Global Notes sold to Qualified Institutional Buyers or Qualified Purchasers:

(i) the Issuer will direct DTC to include the "3c7" marker in the DTC 20-character security descriptor and the 48-character additional descriptor for the Restricted Global Notes in order to indicate that sales are limited to Qualified Institutional Buyers or Qualified Purchasers;

(ii) The Issuer will from time to time (upon the request of the Trustee or the Note Registrar) request DTC to deliver to the Issuer a list of all DTC Participants holding an interest in the Global Notes.

(b) The Issuer shall from time to time request all third-party vendors to include on screens contained by such vendors appropriate legends regarding Rule 144A and Section 3(c)(7) restrictions on the Restricted Global Notes. Without limiting the foregoing, the Issuer will request Bloomberg, L.P. to include, in the "Description" page on each Bloomberg screen containing information about the Restricted Global Notes, a comment in the "Comments" box that the Restricted Global Notes "are being offered in reliance on an exemption from registration under Regulation D or Rule 144A of the Securities Act to persons that are either (1)(a) Institutional Accredited Investors or (b) Qualified Institutional Buyers and, in either case, who are also (2) Qualified Purchasers."

(c) The Issuer shall cause each CUSIP number obtained for a Restricted Global Note to have an attached "fixed field" that contains "3(c)(7)", "Regulation D" and "144A" indicators.

(d) Prior to the issuance of any Regulation S Global Note, the Issuer shall establish procedures similar to the foregoing with Euroclear and Clearstream.

SECTION 2.10 Forced Sale. Notwithstanding the restrictions on transfer of Notes contained in this Indenture, if the Issuer determines that any Noteholder or any Beneficial Owner of a Global Note (or any interest therein) is not, in the case of a Restricted Global Note, a Qualified Institutional Buyer (or, if a purchaser representation letter was prepared, an Institutional Accredited Investor) or in any case a Qualified Purchaser, then the Issuer may require, by notice to such Holder (or any Beneficial Owner, as the case may be), that such Holder or Beneficial Owner sell all of its right, title and interest in such Global Note to a Person that is either (i) a Person taking delivery in the form of an interest in a Restricted Global Note or a Certificated Note, is both a Qualified Institutional Buyer (or, if a purchaser representation letter was prepared, an Institutional Accredited Investor) and a Qualified Purchaser in a transaction meeting the requirements of Rule 144A or (ii) a Person taking delivery in the form of an interest

in a Regulation S Global Note, is a Qualified Purchaser and is neither a U.S. Person nor a U.S. Resident in an offshore transaction meeting the requirements of Regulation S, with such sale to be effected within 30 days after notice of such sale requirement is given. If such Noteholder or Beneficial Owner fails to effect the transfer required within such 30-day period, upon direction from the Issuer, the Trustee, on behalf of and at the expense of the Issuer, shall cause such Noteholder's or Beneficial Owner's interest in such Note to be transferred in a commercially reasonable sale (conducted by the Trustee in accordance with
Section 9-610 of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person that certifies to the Trustee the Issuer in connection with such transfer, that (x) if such Person is taking delivery of a Note in the form of an interest in a Restricted Global Note, that such Person is both a Qualified Institutional Buyer (or, if a purchaser representation letter was prepared, an Institutional Accredited Investor) and a Qualified Purchaser or (y) if such Person is taking delivery of a Note in the form of an interest in a Regulation S Global Note, that such Person is neither a U.S. Person nor a U.S. Resident and is a Qualified Purchaser, together with the other acknowledgements, representations and agreements deemed to be made by a transferee of an interest in a Regulation S Global Note set forth in Section
2.04. Pending such transfer, no further payments will be made in respect of such Note held by such Noteholder or Beneficial Owner. Each Holder of an interest in a Note, by its acceptance thereof, shall be deemed to acknowledge and agree to the Issuer entitlement to require any sale in connection with the circumstances described in this Section 2.10.

## ARTICLE III

## CONDITIONS PRECEDENT

SECTION 3.01 General Provisions. (a) The Notes may be executed by the Issuer and delivered to the Trustee for authentication and thereupon the same shall be authenticated by the Trustee (or an Authenticating Agent on its behalf) upon Issuer Request and delivered by the Issuer, following receipt by the Trustee of the following:

(i) an Officer's certificate of the Issuer (A) evidencing the authorization by the Manager of the execution and delivery of, and the performance of the Issuer's obligations under, this Indenture, and the execution, authentication and delivery of the Notes and specifying the Stated Maturity, the principal amount and the Interest Rate with respect to each Class of Notes to be authenticated and delivered, and (B) certifying that (1) the attached copy of the Issuer's resolutions is a true and complete copy thereof, (2) such resolutions have not been rescinded and are in full force and effect on and as of the Closing Date and (3) the Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon;

(ii) either (A) a certificate of the Issuer or other official document evidencing the due authorization, approval or consent of any governmental body or bodies, at the time having jurisdiction in the premises, together with an Opinion of Counsel of the Issuer that the Trustee is entitled to rely thereon to the effect that no other authorization, approval or consent of any governmental body is required for the valid issuance of the Notes or (B) an Opinion of Counsel of the Issuer to the effect that no such

authorization, approval or consent of any governmental body is required for the valid issuance of the Notes except as may have been given;

(iii) opinions of LeBoeuf, Lamb, Greene & MacRae, L.L.P., special counsel to the Issuer, dated the Closing Date, substantially in the form of Exhibit G;

(iv) an opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., special tax counsel to the Issuer, dated the Closing Date, substantially in the form of Exhibit H;

(v) an opinion of Potter Anderson & Corroon, LLP, special Delaware counsel to the Issuer, dated the Closing Date, substantially in the form of Exhibit I.

(vi) an Officer's certificate of the Issuer stating that (A) the Issuer is not in Default under this Indenture and that the issuance of the Notes and the Preferred Units will not result in a breach of any of the terms, conditions or provisions of, or constitute a Default under, any indenture or other agreement or instrument to which the Issuer is a party or by which it is bound, or any order of any court or administrative agency entered in any Proceeding to which the Issuer is a party or by which it may be bound or to which it may be subject; (B) no Event of Default shall have occurred and be continuing; (C) all of the representations and warranties contained herein are true and correct as of the Closing Date; (D) all conditions precedent provided in this Indenture relating to the authentication and delivery of the Notes applied for (including in Section 3.02) have been complied with; and (E) all expenses due or accrued with respect to the issuance of the Notes or relating to actions taken on or in connection with the Closing Date have been paid;

(vii) Financing Statements duly authorized or executed by the Issuer, to be filed in the following filing offices: The Secretary of State of Delaware;

(viii) an Issuer Order from the Issuer directing the Trustee to authenticate the Class A1 Notes, Class A2 Notes and or the Class B1 Notes, as the case may be, in the amounts set forth therein, registered in the name(s) set forth therein, with the CUSIP numbers set forth therein, and to make delivery thereof to the Issuer, or as otherwise directed therein; and

(ix) copies of written consents of each of the General Partners to the transfer to the Issuer of the respective Collateral Interests and the pledge thereof to the Trustee pursuant to this Indenture.

(b) On or prior to any Additional Closing Date, the Class B2 Notes may be executed by the Issuer and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered by the Trustee (or an Authenticating Agent on its behalf) upon Issuer Request, upon receipt by the Trustee of the following:

(i) an Officer's certificate of the Issuer, dated as of the relevant Additional Closing Date, confirming that the certificates delivered on the Closing Date pursuant to Sections 3.01(a)(i) and (v) hereof remain true and correct as of such Additional Closing Date; and

(ii) an Issuer Order from the Issuer directing the Trustee to authenticate the Class B2 Notes in the amounts set forth therein, registered in the name(s) set forth therein, with the CUSIP numbers set forth therein, and to make delivery thereof to the Issuer, or as otherwise directed therein.

SECTION 3.02 Security for Notes. Prior to the issuance of the Notes on the Closing Date, the Issuer shall cause the following conditions to be satisfied:

(a) Grant of Security Interest; Delivery of Collateral. The Issuer shall have Granted to the Trustee pursuant to the Granting Clauses of this Indenture, all of the Issuer's right, title and interest in and to the Collateral on the Closing Date.

(b) Certificate of the Issuer. The Issuer shall have delivered to the Trustee a certificate of an Authorized Officer of the Issuer, dated as of the Closing Date, containing representations to the effect that, on the Closing Date and immediately prior to the delivery thereof on the Closing Date:

(i) this Agreement creates a valid and continuing security interest (as defined in the applicable Uniform Commercial Code) in the Collateral in favor of the Trustee, which security interest is prior to all other liens, claims or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Issuer;

(ii) the Collateral is comprised of "general intangibles" and "accounts" within the meaning of the applicable Uniform Commercial Code;

(iii) the Issuer is the owner of the Collateral free and clear of any liens, claims or encumbrances except for those granted pursuant to this Indenture;

(iv) other than the security interest granted pursuant to this Indenture, the Issuer has not pledged, assigned, sold granted a security interest in or otherwise conveyed any of the Collateral (or, if any such interest has been assigned, pledged or otherwise encumbered, it has been released) ;

(v) the Issuer has caused or will have caused, within ten days of the Closing Date, the filing of all appropriate financing statements in the proper filing offices in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Collateral granted to the Trustee hereunder;

(vi) the Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Collateral other than any financing statement relating to the security interest granted to the Trustee hereunder or that has been terminated; the Issuer is not aware of any judgment, Pension Benefit Guaranty Corporation or tax lien filings against the Issuer;

(vii) the Issuer has full right to grant a security interest in and to assign and pledge all of its right, title and interest in the Collateral to the Trustee; and

(viii) the Issuer has received all consents and approvals required by the terms of the Limited Partnership Agreements and the Transaction Documents for the sale of the Collateral Interests to the Issuer and to the grant of the security interest in the Collateral pursuant to this Indenture.

The requirement that the Issuer deliver such certificate may not be waived by the Trustee or the Secured Parties. The representations contained in such certificate shall survive the Closing for so long as any Notes remain outstanding.

(c) Ratings Letters. The Issuer shall have delivered to the Trustee an Officer's certificate of the Servicer to the effect that (A) attached thereto is a true and correct copy of a letter signed by Standard & Poor's confirming that the Class A1 Notes have been rated at least "AA-", the Class A2 Notes have been rated at least "A-", the Class B1 Notes have been rated at least "BBB-" and the Class B2 Notes have been rated at least "BB-" by Standard & Poor's and (B) such rating is in full force and effect on the Closing Date.

(d) Accounts. The Trustee has delivered evidence of the establishment of the Cash Reserve Account, the Collection Account, the Note Reserve Account, and the Custodial Account.

(e) Grant of Collateral Interests. The Issuer has Granted to the Trustee on or prior to the Closing Date, Collateral Interests to be held by the Trustee.

SECTION 3.03 Custodianship; Transfer of Collateral Interests.
(a) The Trustee shall hold all Certificated Securities and Instruments in physical form at the office of a custodian appointed by it in the Borough of Manhattan, City of New York (the "Custodian"). Initially, such Custodian shall be the Trustee. Any successor custodian shall be a state or national bank or trust company which is not an Affiliate of the Issuer and has a combined capital and surplus of at least U.S. $200,000,000.

(b) Each time that the Issuer shall direct or cause the acquisition of any Collateral Interest or Eligible Investment, the Issuer shall, if such Collateral Interest or Eligible Investment has not already been transferred to the Custodial Account, cause the transfer of such Collateral Interest or Eligible Investment to the Custodian to be held in the Custodial Account for the benefit of the Trustee in accordance with the terms of this Indenture. The security interest of the Trustee in the funds or other property utilized in connection with such acquisition shall, immediately and without further action on the part of the Trustee, be released. The security interest of the Trustee shall nevertheless come into existence and continue in the Collateral Interest or Eligible Investment so acquired, including all rights of the Issuer in and to any contracts related to and proceeds of such Collateral Interest or Eligible Investment. The Issuer shall cause all Collateral Interests and Eligible Investments acquired by or on behalf of the Issuer to be transferred to the Custodian for the benefit of the Trustee by one of the following means (and shall take any and all other actions necessary to create in favor of the Trustee a valid, perfected, first-priority security interest in each Collateral Interest and Eligible Investment Granted to the Trustee under laws and regulations (including Articles 8 and 9 of the UCC) in effect at the time of such Grant):

(i) in the case of an Instrument or a Certificated Security represented by a Security Certificate in Bearer Form or Registered Form by (A) delivering such Instrument or Security Certificate to the Custodian in the State of New York, in Bearer Form or registered form and, if in registered form, duly indorsed to the Trustee or indorsed in blank, in each case by an effective Indorsement, or registered in the name of the Trustee and (B) causing the Custodian to maintain (on behalf of the Trustee) continuous possession of such Instrument or Security Certificate in the State of New York;

(ii) in the case of an Uncertificated Security (other than an Uncertificated Security covered by clause (iii) below), by (A) causing the Trustee to become the registered owner of such Uncertificated Security and (B) causing such registration to remain effective;

(iii) in the case of an Uncertificated Security registered in the name of the Issuer, by (A) causing the issuer of such Uncertificated Security to agree that it will comply with Instructions originated by the Trustee without further consent by the Issuer and (B) causing such registration and agreement to remain in effect;

(iv) in the case of general intangibles (including payment intangibles and any participation interest in which neither the participation interest nor the underlying debt are represented by Instruments) by (A) notifying the obligor (and, in the case of participation interests, both the institution which has sold the participation interest and the obligor of the debt underlying the participation interest) thereunder of the transfer and (B) causing a financing statement on Form UCC-1 naming the Issuer as debtor and the Trustee as secured party to be filed with the Secretary of State of the State of Delaware; and

(v) in the case of participation interests in which the underlying debt is represented by an Instrument or Instruments by (A) causing the delivery of each such Instrument to the Trustee or (B) notifying the institution which sold the participation interest that it holds such Instruments for the account of the Trustee.

(c) It is the intent of the Trustee and the Issuer that each Account shall be a Securities Account of the Trustee and not an account of the Issuer. Each Custodian shall agree, and the Trustee as initial Custodian hereby agrees, with the Trustee that (i) the Accounts shall be Securities Accounts of the Trustee, (ii) all property credited to the Accounts shall be treated as a Financial Asset, (iii) the Custodian shall treat the Trustee as entitled to exercise the rights that comprise each Financial Asset credited to the Accounts,
(iv) the Custodian shall comply with entitlement orders originated by the Trustee without the further consent of any other Person or entity, (v) the Custodian shall not agree with any Person or entity other than the Trustee to comply with entitlement orders originated by such other Person or entity, and
(vi) the Accounts and all property credited to the Accounts shall not be subject to any lien, security interest, right of set-off, or encumbrance in favor of the Custodian or any Person claiming through the Custodian (other than the Trustee). Each term used in this Section 3.03(c) and defined in the UCC shall have the meaning set forth in the UCC.

(d) Such of the Collateral as constitutes a Security Entitlement shall be credited to the appropriate Account. The Trustee shall hold in the State of New York such of the Collateral as constitutes Money, Instruments, or Certificated Securities, separate and apart from all other property held by the Trustee. Notwithstanding any other provision of this Indenture, the Trustee shall not hold any part of the Collateral through an agent except as expressly permitted by this Section 3.03.

(e) The Issuer shall take all steps necessary or advisable under the laws of Delaware to protect the security interest of the Trustee.

SECTION 3.04 Limited Recourse. The obligations of the Issuer under this Indenture and the Notes are limited to the Collateral. To the extent the Collateral is not sufficient to meet the obligations of the Issuer in full, after application of the Collateral in accordance with the provisions of the Indenture, the Issuer shall have no further obligations hereunder or under the Notes and any outstanding obligations should be deemed extinguished.

## ARTICLE IV

## SATISFACTION AND DISCHARGE

SECTION 4.01 Satisfaction and Discharge of Indenture. This Indenture shall be discharged and shall cease to be of further effect with respect to the Collateral securing the Notes and the Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, defaced, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon as provided herein (including as provided in the Priority of Payments and Article XIII), (iv) the rights (including compensation and indemnity), obligations and immunities of the Trustee hereunder, and (v) the rights of the Secured Parties as beneficiaries hereof with respect to the property deposited with the Trustee and payable to all or any of them; and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(a) either:

(i) all Notes theretofore authenticated and delivered (other than (A) Notes which have been mutilated, defaced, destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.05 and (B) Notes for whose payment Money has theretofore irrevocably been deposited in trust and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 7.03) have been delivered to the Trustee for cancellation; or

(ii) all Notes not theretofore delivered to the Trustee for cancellation (A) have become due and payable, or (B) will become due and payable at their Stated Maturity within one year, or (C) are to be called for Redemption pursuant to Section 9.01 under an arrangement satisfactory to the Trustee for the giving of notice of redemption by the Issuer pursuant to Section 9.02 and the Issuer has irrevocably deposited or caused to be deposited with the Trustee, in trust for such purpose, Cash or noncallable direct

obligations of the United States in an amount sufficient, as verified by a firm of nationally recognized Independent certified public accountants, to pay and discharge the entire indebtedness on all Notes not theretofore delivered to the Trustee for cancellation, including all principal and interest (including Defaulted Interest and interest on Defaulted Interest, if any) accrued to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or the Redemption Date, as the case may be; provided, that (x) such obligations are entitled to the full faith and credit of the United States and (y) this subclause (ii) shall not apply if an election to act in accordance with the provisions of Section 5.05(a) shall have been made and not rescinded;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder and no other amounts will become due and payable by the Issuer; and

(c) the Issuer has delivered to the Trustee Officer's certificates and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the rights and obligations of the Issuer, the Trustee, the Servicer and, if applicable, the Noteholders, as the case may be, under Sections 2.06, 4.02, 5.09, 5.18, 6.07, 6.08, 7.01 and 7.03 shall survive the satisfaction and discharge of the Indenture and resignation or removal of the Trustee.

SECTION 4.02 Application of Trust Money. All Monies deposited with the Trustee pursuant to Section 4.01 for the payment of principal of and interest on the Notes and amounts received pursuant to the Liquidity Facility shall be held in trust and applied by it in accordance with the provisions of the Notes and this Indenture.

SECTION 4.03 Repayment of Monies Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all Monies then held by any Paying Agent other than the Trustee under the provisions of this Indenture shall, upon demand of the Issuer, be paid to the Trustee to be held and applied pursuant to Section 7.03 and in accordance with the Priority of Payments and thereupon such Paying Agent shall be released from all further liability with respect to such Monies.

## ARTICLE V

## EVENTS OF DEFAULT; REMEDIES

SECTION 5.01 Events of Default. "Event of Default", wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on any Note, when the same becomes due and payable in accordance with Section 2.02(g), in each case which default shall continue for a period of three (3) Business Days (or, in the case of a payment default resulting

solely from an administrative error or omission by the Trustee, a Paying Agent or the Note Registrar, five (5) Business Days);

(b) default in the payment of principal of any Note when the same becomes due and payable at its Stated Maturity or any Redemption Date, as applicable (or, in the case of a payment default resulting solely from an administrative error or omission by the Trustee, a Paying Agent or the Note Registrar, five (5) Business Days);

(c) failure on any Quarterly Distribution Date to disburse amounts available in the Collection Account in accordance with the Priority of Payments (other than a default in payment described in clause (a) or (b) above), which failure continues for a period of two (2) Business Days (or, in the case of a payment default resulting solely from an administrative error or omission by the Trustee, a Paying Agent or the Note Registrar, five (5) Business Days);

(d) (i) failure by the Issuer to have issued to CICA SPE and/or VSC SPE, (ii) failure by CICA SPE and/or VSC SPE to have purchased, in accordance with the terms of the applicable Transfer, Assignment and Assumption Agreement, by the due date specified in any Capital Call, for immediate resale to CICA or VSC, respectively, (iii) failure by CICA and/or VSC to have purchased from CICA SPE and/or VSC SPE, as appropriate, or the failure by Aon Corporation to have purchased from CICA SPE and/or VSC SPE, as the case may be, Class B2 Notes in an aggregate principal amount sufficient to enable CICA SPE or VSC SPE to satisfy on the Issuer's behalf any related Capital Calls pursuant to the relevant Transfer, Assignment and Assumption Agreement and Asset Sale Agreement or (iv) the failure to pay to the General Partners the proceeds of the issuance of the Class B2 Notes in accordance with the terms of the relevant Transfer, Assignment and Assumption Agreement or the Asset Sale Agreement;

(e) the Issuer or the pool of Collateral becomes an investment company required to be registered under the Investment Company Act;

(f) default in the performance, or breach, of any other covenant or other agreement (other than a covenant or other agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section 5.01 or in Article VII of the Issuer in this Indenture, or the failure of any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered pursuant hereto or in connection herewith to be correct in any material respect when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days (or, if such default, breach or failure has an adverse effect on the validity, perfection or priority of the security interest granted under this Indenture, fifteen (15) days) after the Issuer has actual knowledge thereof or after notice thereof shall have been given to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% of the Aggregate Outstanding Amount of the Notes of the Controlling Class, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(g) an involuntary Proceeding shall be commenced or an involuntary petition shall be filed seeking (i) winding up, liquidation, reorganization or other relief in respect of the Issuer or its debts, or of a substantial part of its assets, under any bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver,

trustee, custodian, sequestrator, conservator or similar official for the Issuer or for a substantial part of its assets, and, in any such case, such Proceeding or petition shall continue undismissed for 60 days; or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Issuer shall (i) voluntarily commence any Proceeding or file any petition seeking winding up, liquidation, reorganization or other relief under any bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any Proceeding or petition described in Section 5.01(g), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such Proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i) the rendering of one or more final judgments against the Issuer which exceed, in the aggregate, U.S.$5,000,000 (or such lesser amount as any Rating Agency may specify) and which remain unstayed, undischarged and unsatisfied for 90 days after such judgment(s) becomes nonappealable, unless adequate funds have been reserved or set aside for the payment thereof and unless (except as otherwise specified in writing by each Rating Agency) the Rating Confirmation Test shall have been satisfied with respect thereto; or

(j) the occurrence of (i) an "Event of Default" under the Liquidity Facility Agreement or (ii) a Liquidity Facility Provider Event.

If the Issuer shall obtain knowledge, or shall have reason to believe, that an Event of Default shall have occurred and be continuing, the Issuer shall promptly notify the Trustee, the Noteholders, the Liquidity Facility Provider, the Preferred Unitholders and each Rating Agency in writing.

SECTION 5.02 Acceleration of Maturity; Rescission and Annulment. (a) If an Event of Default occurs and is continuing, not having been remedied within the applicable time period to address such Event of Default, if any, set forth in Section 5.1(f) hereof, the Trustee shall promptly notify the Noteholders that all unpaid principal of all of the Notes, together with all accrued and unpaid interest thereon, and other amounts payable hereunder shall become, and shall be deemed to have become, immediately due and payable without any declaration or notice or any other action, unless such automatic acceleration is rescinded by a Majority of the Controlling Class within sixty (60) days of the occurrence of such Event of Default (except in the case of an Event of Default specified in Section 5.01(g) or (h), in which case no rescission may be made). A Majority of the Controlling Class may, by written notice to the Trustee, rescind an Event of Default and may rescind acceleration and its consequences. Unless the automatic acceleration has been rescinded by a Majority of the Controlling Class within sixty (60) days of the occurrence of such Event of Default, all unpaid principal of all of the Notes, together with all accrued and unpaid interest thereon, and other amounts payable hereunder shall automatically become, and shall be deemed to have become, immediately due and payable. Any decision by a Majority of the Controlling Class to rescind an automatic acceleration shall not prevent a Majority of the Controlling Class from causing, at a later date, an acceleration of all unpaid principal of all of the Notes, together with all accrued and unpaid

interest thereon, and other amounts payable hereunder if the relevant Event of Default is continuing; provided, however, that no decision to cause an acceleration following a rescission of an automatic acceleration may be made without the consent of the Liquidity Facility Provider. No such rescission of an Event of Default shall affect the rights of the Noteholders with respect to any subsequent Event of Default which may occur under the Indenture.

(b) At any time after such a declaration of acceleration of Maturity has been made and before a judgment or decree for payment of the Money due has been obtained by the Trustee as hereinafter provided in this Article V, a Majority of the Controlling Class and the Liquidity Facility Provider, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue installments of principal of and interest on the Notes,

(B) to the extent that payment of such interest is lawful, interest upon Defaulted Interest at the applicable Interest Rate,

(C) any accrued and unpaid amounts payable by the Issuer to the Liquidity Facility Provider pursuant to the Liquidity Facility, and

(D) all unpaid taxes and Administrative Expenses and other sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(ii) the Trustee has determined that all Events of Default, other than the nonpayment of the principal of or interest on the Notes that have become due solely by such acceleration, have been cured and a Majority of the Controlling Class by written notice to the Trustee have agreed with such determination or waived as provided in Section 5.14.

At any such time as the Trustee shall rescind and annul such declaration and its consequences, the Trustee shall preserve the Collateral in accordance with the provisions of Section 5.05; provided, that, if such preservation of the Collateral is rescinded pursuant to Section 5.05, the Notes may be accelerated pursuant to Section 5.02(a), notwithstanding any previous rescission and annulment of a declaration of acceleration pursuant to this
Section 5.02(b).

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

SECTION 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee. The Issuer covenants that if a Default shall occur in respect of the payment of any principal of or interest on any Class A1 Note or Class A2 Note or the payment of principal of or interest on any Class B1 Note or Class B2 Note (but with respect to interest, only after the Class

A Notes and all interest accrued thereon have been paid in full), the Issuer will, upon demand of the Trustee or any affected Noteholder, pay to the Trustee, for the benefit of the Holder of such Note, the whole amount, if any, then due and payable on such Note for principal, interest, with interest upon the overdue principal and, to the extent that payments of such interest shall be legally enforceable, upon overdue installments of interest, at the applicable Interest Rate and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and such Noteholder and their respective agents and counsel.

If the Issuer fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may, and shall, upon the direction by a Majority of the Controlling Class, prosecute such Proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect the Monies adjudged or decreed to be payable in the manner provided by law out of the Collateral.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Secured Parties by such appropriate Proceedings as the Trustee shall deem necessary (if no direction by a Majority of the Controlling Class is received by the Trustee) or as the Trustee may be directed by a Majority of the Controlling Class, to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law.

In case there shall be pending Proceedings relative to the Issuer or any other obligor upon the Notes under the Bankruptcy Code or any other applicable bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer, or their respective property or such other obligor or its property, or in case of any other comparable Proceedings relative to the Issuer, or other obligor upon the Notes, or the creditors or property of the Issuer, or such other obligor, the Trustee, regardless of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and regardless of whether the Trustee shall have made any demand pursuant to the provisions of this Section 5.03, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(a) to file and prove a claim or claims for the whole amount of principal, interest owing and unpaid in respect of the Notes upon direction by a Majority of each Class, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee) and of the Noteholders allowed in any Proceedings relative to the Issuer, or other obligor upon the Notes or to the creditors or property of the Issuer, or such other obligor;

(b) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of the Notes, upon the direction of such Holders, in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency Proceedings or Person performing similar functions in comparable Proceedings; and

(c) to collect and receive any Monies or other property payable to or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Noteholders and of the Trustee on behalf of the Noteholders and the Trustee; and any trustee, receiver or liquidator, custodian or other similar official is hereby authorized by each of the Noteholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the Noteholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such Proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other Proceedings relative thereto, and any action or Proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the reasonable expenses, disbursements and compensation of the Trustee, each predecessor trustee and their respective agents and attorneys and counsel, shall be for the ratable benefit of the Secured Parties and payable to the Secured Parties in accordance with the Priority of Payments.

In any Proceedings brought by the Trustee on behalf of the Holders, the Trustee shall be held to represent all the Holders of the Notes.

Notwithstanding anything in this Section 5.03 to the contrary, the Trustee may not sell or liquidate the Collateral or institute Proceedings in furtherance thereof pursuant to this Section 5.03 except in accordance with
Section 5.05(a).

Nothing in this Section 5.03 shall require the Trustee to institute a Proceeding unless such is directed by a Majority of the Controlling Class and the Trustee is given adequate and reasonable indemnity.

SECTION 5.04 Remedies. (a) If an Event of Default shall have occurred and be continuing, and the Notes have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, the Issuer agrees that the Trustee may after notice to the Secured Parties, and shall, upon direction by a Majority of the Controlling

Class or the Liquidity Facility Provider, to the extent permitted by applicable law, exercise one or more of the following rights, privileges and remedies:

(i) institute Proceedings for the collection of all amounts then payable on the Notes or otherwise payable under this Indenture, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral any Monies adjudged due;

(ii) sell all or a portion of the Collateral or rights of interest therein, at one or more public or private sales called and conducted in any manner permitted by law and in accordance with Section 5.17, it being understood, however, that the rights of the Trustee to sell Collateral Interests shall be subject to any restrictions on transfer set forth in the relevant Limited Partnership Agreements;

(iii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Collateral;

(iv) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Secured Parties hereunder including, without limitation, to enforce any rights under the Asset Sale Agreements; and

(v) exercise any other rights and remedies that may be available at law or in equity;

provided, that the Trustee may not sell or liquidate the Collateral or institute Proceedings in furtherance thereof pursuant to this Section 5.04 except in accordance with Section 5.05(a).

The Trustee shall be provided with an opinion of an Independent investment banking firm of national reputation as to the feasibility of any action proposed to be taken in accordance with this Section 5.04 and as to the sufficiency of the proceeds and other amounts receivable with respect to the Collateral to make the required payments of principal of and interest on the Notes, which opinion shall be conclusive evidence as to such feasibility or sufficiency.

(b) If an Event of Default as described in Section 5.01(e) shall have occurred and be continuing, the Trustee may, and at the request of the Holders of not less than 25% of the Aggregate Outstanding Amount of the Controlling Class or the Liquidity Facility Provider shall, institute a Proceeding solely to compel performance of the covenant or agreement or to cure the representation or warranty, the breach of which gave rise to the Event of Default under such Section, and enforce any equitable decree or order arising from such Proceeding.

(c) Upon any sale, whether made under the power of sale hereby given or by virtue of judicial Proceedings, any Noteholder or Noteholders may bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability.

Upon any sale, whether made under the power of sale hereby given or by virtue of judicial Proceedings, the receipt of the Trustee, or of the Officer making a sale under judicial Proceedings, shall be a sufficient discharge to the purchaser or purchasers at any sale for its or their purchase Money, and such purchaser or purchasers shall not be obliged to see to the application thereof.

Any such sale, whether under any power of sale hereby given or by virtue of judicial Proceedings, shall bind the Issuer, the Trustee and the Noteholders, shall operate to divest all right, title and interest whatsoever, either at law or in equity, of each of them in and to the property sold, and shall be a perpetual bar, both at law and in equity, against each of them and their successors and assigns, and against any and all Persons claiming through or under them.

(d) Notwithstanding any other provision of this Indenture, the Trustee may not, prior to the date which is one year and one day, or, if longer, the applicable preference period then in effect, after the payment in full of all Notes, institute against, or join any other Person in instituting against, the Issuer any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation Proceedings, or other Proceedings under Federal or state bankruptcy or similar laws. Nothing in this Section 5.04 shall preclude, or be deemed to stop, the Trustee (i) from taking any action prior to the expiration of the aforementioned one year and one day period, or if longer the applicable preference period then in effect, in (A) any case or Proceeding voluntarily filed or commenced by the Issuer or (B) any involuntary insolvency Proceeding filed or commenced by a Person other than the Trustee, or (ii) from commencing against the Issuer or any of its properties any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, moratorium, liquidation or similar Proceeding.

SECTION 5.05 Preservation of Collateral. (a) If an Event of Default shall have occurred and be continuing when any of the Notes is Outstanding, the Trustee shall retain the Collateral securing the Notes intact, collect and cause the collection of the proceeds thereof and make and apply all payments and deposits and maintain all Accounts in respect of the Collateral and the Notes in accordance with the Priority of Payments and the provisions of Articles X and XII unless either:

(i) the Trustee (or an Independent investment banking firm of national standing selected by the Trustee) determines that the anticipated proceeds of a Sale or liquidation of the Collateral (after deducting the reasonable expenses of such Sale or liquidation) would be sufficient to discharge in full the amounts then due and unpaid on the Notes for principal, interest (including Defaulted Interest and interest on Defaulted Interest, if any), and due and unpaid Mandatory Expenses as limited by subclause (A) of Section 11.01(a)(i), and a Majority of the Controlling Class agrees with such determination; or

(ii) the Holders of a Special Majority of the Aggregate Outstanding Amount of each Class of Notes or the Liquidity Facility Provider, voting as separate Classes, direct the Sale and liquidation of the Collateral.

The Trustee shall give written notice of the retention of the Collateral to the Issuer. So long as such Event of Default is continuing, any such retention pursuant to this Section 5.05(a) may be rescinded at any time when the conditions specified in clause (i) or (ii) exist.

(b) Nothing contained in Section 5.05(a) shall be construed to require the Trustee to preserve the Collateral securing the Notes if prohibited by applicable law.

(c) In determining whether the condition specified in Section 5.05(a)(i) exists, the Trustee shall obtain bid prices with respect to each Security contained in the Collateral from two (2) Independent nationally recognized dealers, as specified by the Servicer in writing, which are Independent from each other and the Servicer, at the time making a market in such securities and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such Security. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Collateral Interests and the execution of a Sale or other liquidation thereof in connection with a determination whether the condition specified in Section 5.05(a)(i) exists, the Trustee shall be provided with an opinion of an Independent investment banking firm of national reputation.

The Trustee shall deliver to the Noteholders, the Liquidity Facility Provider and the Issuer a report stating the results of any determination required pursuant to Section 5.05(a)(i) no later than ten (10) days after making such determination but in any case after such Sale. The Trustee shall make the determinations required by Section 5.05(a)(i) within 30 days after an Event of Default and at the request of a Majority of the Controlling Class or the Liquidity Facility Provider at any time during which the Trustee retains the Collateral pursuant to Section 5.05(a)(i). In the case of each calculation made by the Trustee pursuant to Section 5.05(a)(i), the Trustee shall obtain a letter of an Independent certified public accountant confirming the accuracy of the computations of the Trustee and certifying their conformity to the requirements of this Indenture. In determining whether the Holders of the requisite Aggregate Outstanding Amount of any Class of Notes have given any direction or notice or have agreed pursuant to Section 5.05(a), any Holder of a Class of Notes who is also a Holder of another Class of Notes or any Affiliate of any such Holder shall be counted as a Holder of each such Note for all purposes.

(d) If an Event of Default shall have occurred and be continuing at a time when no Notes are Outstanding, the Trustee shall retain the Collateral securing the Notes intact, collect and cause the collection of the proceeds thereof and make and apply all payments and deposits and maintain all Accounts in respect of the Collateral and the Notes in accordance with the Priority of Payments and the provisions of Article X unless a Majority of Preferred Units direct the Sale and liquidation of the Collateral.

SECTION 5.06 Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any Proceeding relating thereto, and any such Proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be applied as set forth in Section 5.07.

SECTION 5.07 Application of Money Collected. Any Money collected by the Trustee with respect to the Notes pursuant to this Article V and any Money that may then be held or thereafter received by the Trustee with respect to the Notes hereunder shall be applied, subject to Section 12.01 and in accordance with the provisions of Section 11.01, at the date or dates fixed by the Trustee.

SECTION 5.08 Limitation on Suits. No Holder of any Note shall have any right to institute any Proceedings, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder has previously given to the Trustee written notice of an Event of Default;

(b) except as otherwise provided in Section 5.09, the Holders of at least 25% of then Aggregate Outstanding Amount of the Notes of the Controlling Class shall have made written request to the Trustee to institute Proceedings in respect of such Event of Default in its own name as Trustee hereunder and such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(c) the Trustee for 30 days after its receipt of such notice, request and offer of indemnity has failed to institute any such Proceeding; and

(d) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Controlling Class;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to obtain or to seek to obtain priority or preference over any other Holders of the Notes or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes of the same Class subject to and in accordance with Section 12.01 and the Priority of Payments.

In the event the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of the Controlling Class or the Liquidity Facility Provider, each representing less than a Majority of the Controlling Class and the Liquidity Facility Provider, the Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.09 Unconditional Rights of Noteholders to Receive Principal and Interest. (a) Notwithstanding any other provision in this Indenture (other than Section 2.06(i)), the Holder of any Class A Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Class A Note as such principal and interest become due and payable in accordance with Section 12.01 and the Priority of Payments and, subject to the provisions of Section 5.08, to institute Proceedings for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(b) Notwithstanding any other provision in this Indenture (other than Section 2.06(i)), the Holder of any Class B Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Class B Note as such principal and interest become due and payable in accordance with Section 12.01 and the Priority of Payments. Holders of Class B Notes shall have no right to institute Proceedings for the enforcement of any such payment until such time as no Class A Note remains Outstanding, which right shall be subject to the provisions of Section 5.08, and shall not be impaired without the consent of any such Holder.

(c) For so long as any of the Notes are Outstanding, the Holders of the Preferred Units shall not be entitled to any payment on a claim against the Issuer unless there are sufficient funds to pay amounts in accordance with the Priority of Payments for payment of distributions to the Holders of the Preferred Units pursuant to the Issuer's Operating Agreement.

SECTION 5.10 Restoration of Rights and Remedies. If the Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any, reason, or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee and the Noteholder shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Secured Parties shall continue as though no such Proceeding had been instituted.

SECTION 5.11 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing by law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.12 Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Noteholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Noteholders, as the case may be.

SECTION 5.13 Control by Controlling Class and the Liquidity Facility Provider. Notwithstanding any other provision of this Indenture (but subject to the proviso in the definition of "Outstanding" in Section 1.01), a Majority of the Controlling Class and the Liquidity Facility Provider shall have the right to cause the institution of and direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee for exercising any trust, right, remedy or power conferred on the Trustee; provided, that:

(a) such direction shall not conflict with any rule of law or with this Indenture;

(b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction; provided, that, subject to Section 6.01, the Trustee need not take any action that it determines might involve it in liability (unless the Trustee has received satisfactory indemnity against such liability as set forth below);

(c) the Trustee shall have been provided with indemnity satisfactory to it; and

(d) any direction to the Trustee to undertake a Sale of the Collateral shall be made only pursuant to, and in accordance with, Sections 5.04 and 5.05.

SECTION 5.14 Waiver of Past Defaults. Prior to the time a judgment or decree for payment of the Money due has been obtained by the Trustee, as provided in this Article V, a Majority of the Controlling Class and the Liquidity Facility Provider may, on behalf of the Holders of all the Notes waive any past Default and its consequences, except a Default:

(a) in the payment of the principal of (if any) any Note or in the payment of interest (including Defaulted Interest and interest on Defaulted Interest, if any) on the Class A1 Notes or, after the Class A1 Notes have been paid in full, on the Class A2 Notes or, after the Class A2 Notes have been paid in full, on the Class B1 Notes or, after the Class B1 Notes have been paid in full, on the Class B2 Notes (including Defaulted Interest and interest on Defaulted Interest, if any); or

(b) in respect of a covenant or provision hereof that under
Section 8.02 cannot be modified or amended without the waiver or consent of the Holder of each Outstanding Note affected thereby; or

(c) arising under Section 5.01(g) or (h).

In the case of any such waiver, the Issuer, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto and the Trustee shall promptly give written notice of any such waiver to each Holder of Notes. The Rating Agencies shall be notified by the Issuer of any such waiver.

SECTION 5.15 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.15 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Noteholder, or group of Noteholders, holding in the aggregate more than 10% in Aggregate Outstanding

Amount of the Controlling Class, or to any suit instituted by any Noteholder for the enforcement of the payment of the principal of or interest on any Note on or after the Stated Maturity expressed in such Note (or, in the case of Redemption, on or after the applicable Redemption Date).

SECTION 5.16 Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force (including by the voluntary commencement of a Proceeding or the filing of a petition seeking winding up, liquidation, reorganization or other relief under any bankruptcy, insolvency, receivership or similar law now or hereafter in effect), which may affect the covenants, the performance of or any remedies under this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenant that they 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 5.17 Sale of Collateral. (a) The power to effect any sale (a "Sale") of any portion of the Collateral pursuant to Sections 5.04 and

5.05 shall not be exhausted by any one or more Sales as to any portion of such Collateral remaining unsold, but shall continue unimpaired until the entire Collateral shall have been sold or all amounts secured by the Collateral shall have been paid. The Trustee may upon notice to the Noteholders, the Preferred Unitholders and shall, upon direction of a Majority of the Controlling Class and the Liquidity Facility Provider from time to time postpone any Sale by announcement made at the time and place of such Sale; provided, that, if the Sale is rescheduled for a date more than five (5) Business Days after the date of the determination by the Trustee (or an Independent investment banking firm of national standing selected by the Trustee) pursuant to Section 5.05, such Sale shall not occur unless and until the Trustee has again made the determination required by Section 5.05. The Trustee hereby expressly waives its rights to any amount fixed by law as compensation for any Sale; provided, that the Trustee shall be authorized to deduct the reasonable costs, charges and expenses incurred by it in connection with such Sale from the proceeds thereof notwithstanding the provisions of Section 6.07.

(b) The Trustee may bid for and acquire any portion of the Collateral in connection with a public Sale thereof, by crediting all or part of the net proceeds of such Sale after deducting the reasonable costs, charges and expenses incurred by the Trustee in connection with such Sale notwithstanding the provisions of Section 6.07. The Notes need not be produced in order to complete any such Sale, or in order for the net proceeds of such Sale to be credited against amounts owing on the Notes. The Trustee may hold, lease, operate, manage or otherwise deal with any property so acquired in any manner permitted by law in accordance with this Indenture.

(c) If any portion of the Collateral consists of securities not registered under the Securities Act ("Unregistered Securities"), the Trustee may seek an Opinion of Counsel, or, if no such Opinion of Counsel can be obtained and with the consent of a Majority of the Controlling Class, then the Trustee, at the written direction of a Majority of the Controlling Class, and at their expense, may seek a no-action position from the United States Securities and

Exchange Commission or any other relevant Federal or state regulatory authorities, regarding the legality of a public or private sale of such Unregistered Securities.

(d) The Trustee shall execute and deliver an appropriate instrument of conveyance transferring its interest in any portion of the Collateral in connection with a Sale thereof. In addition, the Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey its interest in any portion of the Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale. No purchaser or transferee at such a Sale shall be bound to ascertain the Trustee's authority, to inquire into the satisfaction of any conditions precedent or see to the application of any Monies.

SECTION 5.18 Action on the Notes. The Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking or obtaining of or application for any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Trustee or the Secured Parties shall be impaired by the recovery of any judgment by the Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Collateral or upon any of the assets of the Issuer.

## ARTICLE VI

## THE TRUSTEE

SECTION 6.01 Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; provided, that, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they substantially conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein) and shall promptly, but in any event within three (3) Business Days in the case of an Officer's certificate furnished by the Issuer, notify the party delivering the same if such certificate or opinion does not conform. If a corrected form shall not have been delivered to the Trustee within 15 days after such notice from the Trustee, the Trustee shall so notify the Noteholders.

(b) In case an Event of Default known to the Trustee has occurred and is continuing, the Trustee shall, prior to the receipt of directions, if any, from a Majority of the Controlling Class, exercise such of the rights and powers vested in it by this Indenture, and use

the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

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

(i) this subclause (c) shall not be construed to limit the effect of subclause (a) of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it shall be proven that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Issuer or the Servicer in accordance with this Indenture and/or a Majority (or such other percentage as may be required by the terms hereof) of the Controlling Class (or other Class if required or permitted by the terms hereof) relating to the time, method and place of conducting any Proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers contemplated hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it (if the amount of such funds or risk or liability does not exceed the amount payable to the Trustee pursuant to Section 11.01(a)(i)(A) net of the amounts specified in Section 6.08(a)(i), the Trustee shall be deemed to be reasonably assured of such repayment) unless such risk or liability relates to performance of its ordinary services, including under Article V, under this Indenture.

(d) For all purposes under this Indenture, the Trustee shall not be deemed to have notice or knowledge of any Event of Default described in Section 5.01(e), 5.01(g), or 5.01(h) or any Default described in Section 5.01(f) or 5.01(i) unless a Trust Officer assigned to and working in the Corporate Trust Office has actual knowledge thereof or unless written notice of any event which is in fact such an Event of Default or such a Default, as the case may be, is received by a Trust Officer at the Corporate Trust Office. For purposes of determining the Trustee's responsibility and liability hereunder, whenever reference is made in this Indenture to such an Event of Default or such a Default, as the case may be, such reference shall be construed to refer only to such an Event of Default or such a Default, as the case may be, of which the Trustee is deemed to have notice as described in this Section 6.01(d).

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VI.

(f) The Trustee shall, upon reasonable (but no less than two (2) Business Days') prior written notice to the Trustee, permit any representative of a Holder of a Note, during the Trustee's normal business hours, to examine all books of account, records, reports and other papers of the Trustee relating to the Notes, to make copies and extracts therefrom (the reasonable out-of-pocket expenses incurred in making any such copies or extracts to be reimbursed to the Trustee by such Holder) and to discuss the Trustee's actions, as such actions relate to the Trustee's duties with respect to the Notes, with the Trustee's officers and employees responsible for carrying out the Trustee's duties with respect to the Notes.

SECTION 6.02 Notice of Default. Promptly (and in no event later than two (2) Business Days) after the occurrence of any Default known to the Trustee or after any declaration of acceleration has been made or delivered to the Trustee pursuant to Section 5.02, the Trustee shall mail to each Rating Agency (for so long as any Class of Notes is Outstanding) and to all Holders of Notes, as their names and addresses appear on the Note Register, and the Preferred Unitholders notice of all Defaults hereunder known to the Trustee, unless such Default shall have been cured or waived.

SECTION 6.03 Certain Rights of Trustee. Except as otherwise provided in Sections 6.01, 8.01 and 8.02:

(a) the Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note or other paper or document (whether in its original or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request or Issuer Order, as the case may be;

(c) whenever in the administration of this Indenture the Trustee shall (i) deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's certificate or (ii) be required to determine the value of any Collateral or funds hereunder or the cashflows projected to be received therefrom, the Trustee may, in the absence of bad faith on its part, conclusively rely on reports of nationally recognized accountants, investment bankers or other Persons qualified to provide the information required to make such determination, including nationally recognized dealers in securities of the type being valued and securities quotation services;

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

(e) the Trustee shall be under no obligation to exercise or to honor any of the rights or powers vested in it by this Indenture at the request or direction of any of the Noteholders pursuant to this Indenture, unless such Noteholders shall have offered to the Trustee

reasonable security or indemnity against the costs, expenses and liabilities which might reasonably be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note or other paper documents, but the Trustee, in its discretion, may and, upon the written direction of a Majority of any Class or of any Rating Agency shall make such further inquiry or investigation into such facts or matters as it may see fit or as it shall be directed, and, the Trustee shall be entitled, on reasonable prior notice to and at the expense of the Issuer, to examine the books and records of the Issuer relating to the Notes and the Collateral, personally or by agent or attorney at a time acceptable to the Issuer in its reasonable judgment during normal business hours; provided, that it is at the sole cost of the Issuer, the Trustee shall incur no liability or additional liability of any kind by reason of such inquiry or investigation, and the Trustee shall, and shall cause its agents, to hold in confidence all such information, except (i) to the extent disclosure may be required by law by any regulatory authority and (ii) to the extent that the Trustee, in its sole judgment, may determine that such disclosure is consistent with its obligations hereunder;

(g) in no event shall the Trustee be liable for consequential, punitive or special damages;

(h) in no event shall the Trustee be liable for any losses beyond its reasonable control, including without limitation, strikes, work stoppages, acts of war or terrorism, insurrections, revolution, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services;

(i) the rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation, its right to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder;

(j) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys; provided, that the Trustee shall not be responsible for any misconduct or negligence on the part of any agent (other than any Affiliate of the Trustee) appointed, or attorney appointed, with due care by it hereunder;

(k) in the event Aon Capital Managers, LLC is no longer the Servicer or is unable to perform its functions under the Servicing Agreement, the Trustee, the holders of a Majority of the Notes, the Liquidity Facility Provider and the Issuer shall have the right to appoint a Servicer at a Servicing Fee higher than the Servicing Fee rate set forth in the Servicing Agreement;

(l) the Trustee shall not be responsible for, or liable for, the negligence or misconduct of the Servicer. The Trustee shall not have a duty to monitor or supervise the Servicer and the Trustee shall be fully protected in relying on any instructions given hereunder by the Servicer; and

(m) the Trustee shall not be liable for any action it takes or omits to take in good faith that it reasonably and, after the occurrence and during the continuance of an Event of

Default (subject to Section 6.01(b)), prudently believes to be authorized or within its rights or powers hereunder.

SECTION 6.04 Authenticating Agents. Upon the request of the Issuer, the Trustee shall, and if the Trustee so chooses the Trustee may, appoint one or more Authenticating Agents with power to act on its behalf and subject to its direction in the authentication of Notes in connection with issuance, transfers and exchanges under Sections 2.04, 2.05 and 8.05, as fully to all intents and purposes as though each such Authenticating Agent had been expressly authorized by those Sections to authenticate such Notes. For all purposes of this Indenture, the authentication of Notes by an Authenticating Agent pursuant to this Section 6.04 shall be deemed to be the authentication of Notes "by the Trustee".

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, without the execution or filing of any further act on the part of the parties hereto or such Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and the Issuer. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Issuer. Upon receiving such notice of resignation or upon such a termination, the Trustee shall promptly appoint a successor Authenticating Agent and shall give written notice of such appointment to the Issuer.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services, and reimbursement for its reasonable expenses relating thereto and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 6.08. The provisions of Sections 6.05 and 6.06 shall be applicable to any Authenticating Agent.

SECTION 6.05 Trustee Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes, other than the Certificate of Authentication thereon, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture (except as may be made with respect to the validity of the Trustee's obligations hereunder), of the Collateral or of the Notes. The Trustee shall not be accountable for the use or application by the Issuer of the Notes or the proceeds thereof or any Money paid to the Issuer pursuant to the provisions hereof.

SECTION 6.06 Trustee May Hold Notes. The Trustee, any Paying Agent, the Note Registrar or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes and, may otherwise deal with the Issuer or any of its Affiliates, with the same rights it would have if it were not Trustee, Paying Agent, Note Registrar or such other agent.

SECTION 6.07 Money Held in Trust. Money held by the Trustee hereunder shall be held in trust to the extent required herein. The Trustee shall be under no liability for interest on any Money received by it hereunder except as otherwise agreed upon with the Issuer and except to the extent of income or other gain on investments which are deposits in or certificates of deposit of the Trustee in its commercial capacity and income or other gain actually received by the Trustee on Eligible Investments.

SECTION 6.08 Compensation and Reimbursement. (a) The Issuer agrees:

(i) to pay the Trustee on each Quarterly Distribution Date reasonable compensation for all services, including custodial services, rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), as set forth in a letter agreement, dated as of the Closing Date, between the Issuer and the Trustee;

(ii) except as otherwise expressly provided herein, to reimburse the Trustee (subject to any written agreement between the Issuer and the Trustee) in a timely manner upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including without limitation (A) securities transaction charges, (B) all reasonable compensation, expenses and disbursements (including those of its agents and legal counsel), and (C) reasonable compensation, expenses and disbursements of any accounting firm or investment banking firm employed by the Trustee pursuant to Section 5.04, 5.05, 5.17, 10.04 or 10.06, except any such expense, disbursement or advance as shall be determined by a court of competent jurisdiction to have been caused by its own negligence, willful misconduct or bad faith) but only to the extent any such securities transaction charges have not been waived during a Due Period due to the Trustee's receipt of a payment from a financial institution with respect to certain Eligible Investments, as specified by the Servicer;

(iii) to fully indemnify the Trustee and its Officers, directors, employees, nominees and agents for, and to hold them harmless against, any and all loss, claim, damage, liability or expense incurred without negligence, willful misconduct or bad faith on their part, arising out of or in connection with the acceptance or administration of this Indenture and any of the other various capacities for which the Trustee may act hereunder or any act under any other agreement in any other capacity that is related hereto, including the costs and expenses of defending themselves against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder;

(iv) to pay the Trustee reasonable additional compensation together with its expenses (including reasonable counsel fees) for any collection action taken pursuant to Section 6.14;

(v) in the event the Trustee incurs expenses or renders services after the occurrence of an Event of Default described in Section 5.01(g) or (h), the expenses

and the compensation for the services shall constitute expenses of administration under the Bankruptcy Code.

(b) The Issuer may remit payment for such fees and expenses to the Trustee or, in the absence thereof, the Trustee may from time to time deduct payment of its fees and expenses hereunder from Monies on deposit in the Collection Account for the Notes pursuant to Section 11.01.

(c) The Trustee hereby agrees not to cause the filing of a petition in bankruptcy against the Issuer for the non-payment to the Trustee of any amounts provided by this Section 6.08 until at least one year and one day, or if longer the applicable preference period then in effect, after the payment in full of all Notes issued under this Indenture.

(d) The amounts payable to the Trustee pursuant to Sections 6.08(a)(i) and (ii) (other than amounts received by the Trustee from financial institutions under clause (a)(ii) above) shall not, except as provided by
Section 11.01(a)(i)(A), exceed on any Quarterly Distribution Date the Dollar limitation described in Section 11.01(a)(i)(A) for such Quarterly Distribution Date and the Trustee shall have a lien ranking senior to that of the Noteholders upon all property and funds held or collected as part of the Collateral to secure payment of amounts payable to the Trustee under this Section 6.08 not to exceed such amount with respect to any Quarterly Distribution Date (it being understood that if there is an Event of Default, then the Trustee's lien granted herein shall be senior as to any existing lien of, or any lien created thereafter for the benefit of, the Liquidity Facility Provider under Section 12.01); provided, that (A) the Trustee shall not institute any Proceeding for enforcement of such lien except in connection with an action pursuant to Section 5.03 or 5.04 for the enforcement of the lien of this Indenture for the benefit of the Noteholders and (B) the Trustee may only enforce such a lien in conjunction with the enforcement of the rights of Noteholders in the manner set forth in Section 5.04.

The Trustee shall, subject to the Priority of Payments, receive amounts pursuant to this Section 6.08 and Sections 11.01(a)(i) and (ii) only to the extent that the payment thereof will not result in an Event of Default and the failure to pay such amounts to the Trustee will not, by itself, constitute an Event of Default. Subject to Section 6.10, the Trustee shall continue to serve as Trustee under this Indenture notwithstanding the fact that the Trustee shall not have received amounts due it hereunder and hereby agrees not to cause the filing of a petition in bankruptcy against the Issuer for the nonpayment to the Trustee of any amounts provided by this Section 6.08 until at least one year and one day, or if longer, the applicable preference period then in effect, after the payment in full of all Notes issued under this Indenture. No direction by a Majority of the Controlling Class shall affect the right of the Trustee to collect amounts owed to it under this Indenture.

SECTION 6.09 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a corporation or trust company organized and doing business under the laws of the United States or of any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least U.S.$200,000,000, subject to supervision or examination by Federal or state authority, having a rating of at least "BBB+" by Standard & Poor's and having an office within the United States. If

such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.09, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this
Section 6.09, it shall resign immediately in the manner and with the effect hereinafter specified in this Article VI.

SECTION 6.10 Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VI shall become effective until the acceptance of appointment by the successor Trustee under Section 6.11.

(b) The Trustee may resign at any time by giving 30 days' prior written notice thereof to the Issuer, the Noteholders, the Preferred Unitholders and each Rating Agency. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee or trustees by written instrument, in duplicate, executed by an Authorized Officer of the Issuer, one copy of which shall be delivered to the Trustee so resigning and one copy to the successor trustee or trustees, together with a copy to each Noteholder; provided, that such successor Trustee shall be appointed only upon the written consent of a Majority of each Class or, at any time when an Event of Default shall have occurred and be continuing, by a Majority of the Controlling Class. If no successor trustee shall have been appointed and an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the resigning Trustee, any Holder of a Note, on behalf of itself and all others similarly situated, may petition, at the expense of the Issuer, any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of a Majority of any Class or at any time when an Event of Default shall have occurred and be continuing or when a successor Trustee has been appointed pursuant to Section 6.11, by Act of a Majority of the Controlling Class, delivered to the Trustee and to the Issuer.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.09 and shall fail to resign after written request therefor by the Issuer or by any Holder; or

(ii) the Trustee shall become incapable of acting or shall be adjudged as bankrupt or insolvent or a receiver or liquidator of the Trustee or of its property shall be appointed or any public officer shall take charge or Control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case (subject to Section 6.10(a)), (A) the Issuer, by Issuer Order, may remove the Trustee, or (B) subject to Section 5.15, any Holder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any reason, the Issuer, by Issuer Order, shall promptly appoint a successor Trustee. If the Issuer shall fail to appoint a successor Trustee within 60 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee may be appointed by Act of a Majority of the Controlling Class delivered to the Issuer and the retiring Trustee. The successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede any successor Trustee proposed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or such Holders and shall have accepted appointment in the manner hereinafter provided, subject to Section 5.15, any Holder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give prompt notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first class mail, postage prepaid, to each Rating Agency and to the Holders as their names and addresses appear in the Note Register. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office. If the Issuer fail to mail such notice within ten days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be given at the expense of the Issuer.

SECTION 6.11 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and the retiring Trustee an instrument accepting such appointment. Upon delivery of the required instruments, the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any other act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of the retiring Trustee; but, on request of the Issuer or a Majority of any Class or the successor Trustee, such retiring Trustee shall, upon payment of its charges then unpaid, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and Money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section
6.08(d). Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless (a) at the time of such acceptance such successor shall (i) have long term debt rated at least "BBB+" by Standard & Poor's and (ii) be qualified and eligible under this Article VI and (b) the Rating Confirmation shall have been satisfied with respect to such appointment. No appointment of a successor Trustee shall become effective if a Majority of the Controlling Class objects to such appointment; and no appointment of a successor shall become effective until the date ten days after notice of such appointment has been given to each Noteholder.

SECTION 6.12 Merger, Conversion, Consolidation or Succession to Business of Trustee. Any Person into which the Trustee may be merged or

converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the

Trustee hereunder; provided, that such Person shall be otherwise qualified and eligible under this Article VI, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any of the Notes have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

SECTION 6.13 Co-Trustees. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Issuer and the Trustee shall have power to appoint one or more Persons to act as co-trustee, jointly with the Trustee of all or any part of the Collateral, with the power to file such proofs of claim and take such other actions pursuant to Section 5.06 and to make such claims and enforce such rights of action on behalf of the Holders of the Notes subject to the other provisions of this Section 6.13.

The Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint a co-trustee. If the Issuer do not join in such appointment within 15 days after the receipt by them of a request to do so, the Trustee shall have power to make such appointment.

Should any written instrument from the Issuer be required by any co-trustee so appointed for more fully confirming to such co-trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Issuer. The Issuer agrees to pay (subject to the Priority of Payments) for any reasonable fees and expenses in connection with such appointment.

Every co-trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:

(a) the Notes shall be authenticated and delivered and all rights, powers, duties and obligations hereunder in respect of the custody of securities, Cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by the appointment of a co-trustee shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee jointly, as shall be provided in the instrument appointing such co-trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by a co-trustee;

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Issuer evidenced by an Issuer Order, may accept the resignation of or remove any co-trustee appointed under this
Section 6.13, and in case an Event of Default has occurred and is continuing, the Trustee shall have the power to accept the resignation of, or

remove, any such co-trustee without the concurrence of the Issuer. A successor to any co-trustee so resigned or removed may be appointed in the manner provided in this Section 6.13;

(d) no co-trustee hereunder shall be personally liable by reason of any act or omission of the Trustee or any other co-trustee hereunder;

(e) the Trustee shall not be liable by reason of any act or omission of a co-trustee; and

(f) any Act of Noteholders delivered to the Trustee shall be deemed to have been delivered to each co-trustee.

SECTION 6.14 Certain Duties Related to Delayed Payment of Proceeds. In the event that the Trustee shall not have received a payment with respect to any Collateral Interest on its Due Date (a) the Trustee shall promptly notify the Issuer in writing and (b) unless within three (3) Business Days (or the end of the applicable grace period for such payment, if longer) after such notice (i) such payment shall have been received by the Trustee, or
(ii) the Issuer, in its absolute discretion (but only to the extent permitted by
Section 10.02(c)), shall have made provision for such payment satisfactory to the Trustee in accordance with Section 10.02(c), the Trustee shall request the issuer of such Collateral Interest, the trustee under the related Limited Partnership Agreement or paying agent designated by either of them, as the case may be, to make such payment as soon as practicable after such request but in no event later than three (3) Business Days after the date of such request. In the event that such payment is not made within such time period, the Trustee, subject to the provisions of Section 6.01(c)(iv), shall take such action as the Issuer shall direct in writing. Any such action shall be without prejudice to any right to claim a Default under this Indenture. In the event that the Issuer requests a release of a Collateral Interest and/or delivers a new Collateral Interest in connection with any such action, such release and/or delivery shall be subject to Section 10.05, as the case may be. Notwithstanding any other provision hereof, the Trustee shall deliver to the Issuer or its designee any payment with respect to any Collateral Interest received after the Due Date thereof to the extent the Issuer previously made provisions for such payment satisfactory to the Trustee in accordance with Section 10.02(c) and this Section 6.14 and such payment shall not be deemed part of the Collateral.

SECTION 6.15 Representations and Warranties of the Trustee.

(a) Organization. The Trustee is a duly organized and validly existing banking corporation under the laws of the State of New York and has the power to conduct its business and affairs as a trustee.

(b) Authorization; Binding Obligations. The Trustee has the corporate power and authority to perform the duties and obligations of Trustee, Note Registrar and Transfer Agent under this Indenture. The Trustee has taken all necessary corporate action to authorize the execution, delivery and performance of this Indenture, and all of the documents required to be executed by the Trustee pursuant hereto. This Indenture has been duly executed and delivered by the Trustee. Upon execution and delivery by the Issuer, this Indenture will constitute the legal, valid and binding obligation of the Trustee enforceable in accordance with its terms.

(c) Eligibility. The Trustee is eligible under Section 6.09 to serve as Trustee hereunder and satisfies the trustee eligibility requirements set forth in Rule 3a-7(a)(4)(i) under the Investment Company Act.

(d) No Conflict. Neither the execution, delivery and performance of this Indenture, nor the consummation of the transactions contemplated by this Indenture, (i) is prohibited by, or requires the Trustee to obtain any consent, authorization, approval or registration under, any law, statute, rule, regulation, judgment, order, writ, injunction or decree that is binding upon the Trustee or any of its properties or assets, or (ii) will violate any provision of, result in any default or acceleration of any obligations under, result in the creation or imposition of any lien pursuant to, or require any consent under, any agreement to which the Trustee is a party or by which it or any of its property is bound.

(e) No Proceedings. There are no Proceedings pending, or to the best knowledge of the Trustee, threatened against the Trustee before any Federal, state or other governmental agency, authority, administrator or regulatory body, arbitrator, court or other tribunal, foreign or domestic, that could have a material adverse effect on the Collateral or any action taken or to be taken by the Trustee under this Indenture.

SECTION 6.16 Exchange Offers. The Issuer may instruct the Trustee pursuant to an Issuer Order to, and the Trustee shall, take any of the following actions with respect to a Collateral Interest as to which an exchange offer has been made: (i) exchange such instrument for other securities or a mixture of securities and other consideration pursuant to such exchange offer; and (ii) give consent, grant waiver, vote or exercise any or all other rights or remedies with respect to any such Collateral Interest.

## ARTICLE VII

## COVENANTS

SECTION 7.01 Payment of Principal and Interest. The Issuer will duly and punctually pay all principal and interest (including Defaulted Interest and interest thereon, if any) in accordance with the terms of the Notes and this Indenture. Amounts properly withheld under the Code or other applicable law by any Person from a payment to any Noteholder of principal and/or interest shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

The Trustee hereby provides notice to each Noteholder that the failure of such Noteholder to provide the Trustee with appropriate tax certifications may result in amounts being withheld from payments to such Noteholder under this Indenture (provided, that amounts withheld pursuant to applicable tax laws shall be considered as having been paid by the Issuer as provided above with respect to the Class B Notes).

SECTION 7.02 Maintenance of Office or Agency. The Issuer hereby appoints the Trustee as Paying Agent for the payment of principal of and interest on the Notes and the payment of any distributions due with respect to the Preferred Units. The Issuer hereby appoints the Trustee as the Issuer's agent where notices and demands to or upon the Issuer in

respect of the Notes or this Indenture may be served and where such Notes may be surrendered for registration of transfer or exchange.

The Issuer may at any time and from time to time vary or terminate the appointment of any such agent or appoint any additional agents for any or all of such purposes; provided, that (A) the Issuer will maintain in the Borough of Manhattan, The City of New York, an office or agency where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served and (B) no Paying Agent shall be appointed in a jurisdiction which subjects payments on the Notes to withholding tax. The Issuer shall give prompt written notice to the Trustee, each Rating Agency and the Noteholders of the appointment or termination of any such agent and of the location and any change in the location of any such office or agency.

If at any time the Issuer shall fail to maintain any such required office or agency in the Borough of Manhattan, The City of New York or shall fail to furnish the Trustee with the address thereof, presentations and surrenders may be made at and notices and demands may be served on the Issuer, and Notes may be presented and surrendered for payment to the Paying Agent at its office (and the Issuer hereby appoints the same as its agent to receive such respective presentations, surrenders, notices and demands).

SECTION 7.03 Money for Note Payments to be Held in Trust. All payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Collection Account shall be made on behalf of the Issuer by the Trustee or a Paying Agent with respect to payments on the Notes.

When the Issuer shall have a Paying Agent that is not also the Note Registrar, they shall furnish, or cause the Note Registrar to furnish, no later than the fifth calendar day after each Record Date a list, if necessary, in such form as such Paying Agent may reasonably request, of the names and addresses of the Holders and of the certificate numbers of individual Notes held by each such Holder.

Whenever the Issuer shall have a Paying Agent other than the Trustee, it shall, on or before the Business Day next preceding each Quarterly Distribution Date, as the case may be, direct the Trustee to deposit on such Quarterly Distribution Date, with such Paying Agent, if necessary, an aggregate sum sufficient to pay the amounts then becoming due (to the extent funds are then available for such purpose in the Collection Account, as the case may be), such sum to be held in trust for the benefit of the Persons entitled thereto and (unless such Paying Agent is the Trustee) the Issuer shall promptly notify the Trustee of its action or failure so to act. Any Monies deposited with a Paying Agent (other than the Trustee) in excess of an amount sufficient to pay the amounts then becoming due on the Notes with respect to which such deposit was made shall be paid over by such Paying Agent to the Trustee for application in accordance with Article X.

The initial Paying Agent shall be as set forth in Section
7.02. Any additional or successor Paying Agents shall be appointed by Issuer Order with written notice thereof to the Trustee; provided, that so long as any Class of Notes is rated by the Rating Agencies and with respect to any additional or successor Paying Agent for the Notes, either (i) such Paying Agent for the Notes has a rating of a rating of not less than "AA-" and not less than "A-1+" by Standard

& Poor's or (ii) the Rating Confirmation Test is satisfied with respect to such appointment. In the event that such successor Paying Agent ceases to have a rating of a rating of at least "AA-" and of "A-1+" by Standard & Poor's and the ratings on the Notes have not been confirmed, the Issuer shall promptly remove such Paying Agent and appoint a successor Paying Agent. The Issuer shall not appoint any Paying Agent (other than an initial Paying Agent) that is not, at the time of such appointment, a depository institution or trust company subject to supervision and examination by Federal and/or state and/or national banking authorities. The Issuer shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee (and if the Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section 7.03, that such Paying Agent will:

(a) allocate all sums received for payment to the Holders of Notes for which it acts as Paying Agent on each Quarterly Distribution Date among such Holders in the proportion specified in the instructions set forth in the applicable Quarterly Report or as otherwise provided herein, in each case to the extent permitted by applicable law;

(b) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(c) if such Paying Agent is not the Trustee, immediately resign as a Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards set forth above required to be met by a Paying Agent at the time of its appointment;

(d) if such Paying Agent is not the Trustee, immediately give the Trustee notice of any Default by the Issuer (or any other obligor upon the Notes) in the making of any payment required to be made; and

(e) if such Paying Agent is not the Trustee at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Issuer Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Issuer or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Issuer or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such Money.

Except as otherwise required by applicable law, any Money deposited with the Trustee or any Paying Agent in trust for the payment of the principal of or interest on any Note and remaining unclaimed for two (2) years after such principal or interest has become due and payable shall be paid to the Issuer on Issuer Request; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment of such amounts and all liability of the Trustee or such Paying Agent with respect to such trust Money (but only to

the extent of the amounts so paid to the Issuer) shall thereupon cease. The Trustee or such Paying Agent, before being required to make any such release of payment, may, but shall not be required to, adopt and employ, at the expense of the Issuer, any reasonable means of notification of such release of payment, including mailing notice of such release to Holders whose Notes have been called but have not been surrendered for Redemption or whose right to or interest in Monies due and payable but not claimed is determinable from the records of any Paying Agent, at the last address of record of each such Holder.

SECTION 7.04 Existence of the Issuer. The Issuer shall maintain in full force and effect its existence and rights as a limited liability company organized under the laws of the State of Delaware and shall obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes or any other Collateral.

The Issuer shall ensure that all limited liability company or other formalities regarding its existence (including the holding of regular meetings of its members, or other similar, meetings) are followed. The Issuer shall not take any action, or conduct its affairs in a manner, that is likely to result in its separate existence being ignored or in its assets and liabilities being substantively consolidated with those of any other Person in a bankruptcy, reorganization or other insolvency Proceeding. Without limiting the foregoing,
(a) the Issuer shall not have any subsidiaries and (b) the Issuer shall not (i) have any employees, (ii) engage in any transaction with any member that would constitute a conflict of interest, (iii) commingle its Cash with that of any other Person, (iv) conduct its business in any name other than its own, or (v) pay distributions other than in accordance with the terms of this Indenture and the Operating Agreement; provided, that the foregoing shall not prohibit the Issuer from entering into the transactions contemplated by the Servicing Agreement with the Servicer.

SECTION 7.05 Protection of Collateral. (a) The Issuer shall from time to time execute and deliver all such supplements and amendments hereto and all such instruments of further assurance and other instruments, and shall take such other action as may be necessary or advisable or desirable to secure the rights and remedies of the Secured Parties hereunder and to:

(i) Grant more effectively all or any portion of the Collateral;

(ii) maintain, preserve and perfect the lien (and the first priority nature thereof) of this Indenture or to carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture (including any and all actions necessary or desirable as a result of changes in law or regulations);

(iv) enforce any of the Collateral Interests or other instruments or property included in the Collateral;

(v) preserve and defend title to the Collateral and the rights therein of the Trustee, the Holders of the Notes against the claims of all Persons and parties; or

(vi) pay or cause to be paid any and all taxes levied or assessed upon all or any part of the Collateral.

Notwithstanding the foregoing, the Issuer shall designate the Servicer in the Servicing Agreement as its agent and attorney-in-fact to execute and deliver all such Financing Statements and continuation statements or other instruments as may be necessary or advisable to secure the rights and remedies of the Secured Parties hereunder with respect to the Collateral. The Issuer agrees that a carbon, photographic, photostatic or other reproduction of this Indenture or of a Financing Statement is sufficient as a Financing Statement.

(b) The Trustee shall not (i) except in accordance with
Section 10.05(a), (b) or (c), as applicable, remove any portion of the Collateral that consists of Cash or is evidenced by an instrument, certificate or other writing (A) from the jurisdiction in which it was held as described in the Opinion of Counsel delivered at the Closing Date pursuant to Section 3.01(a)(iii), or (B) from the possession of the Person who held it on such date or (ii) cause or permit ownership or the pledge of any portion of the Collateral that consists of book-entry securities to be recorded on the books of a Person (A) located in a different jurisdiction from the jurisdiction in which such ownership or pledge was recorded at such date or (B) other than the Person on whose books such ownership or pledge was recorded at such date, unless the Trustee shall have first received an Opinion of Counsel to the effect that the lien and security interest created by this Indenture with respect to such property will continue to be maintained after giving effect to such action or actions.

(c) The Issuer shall pay or cause to be paid taxes, if any, levied on account of the beneficial ownership by the Issuer of any Collateral Interests that secure the Notes.

(d) The Issuer shall enforce all of its material rights and remedies under each of the Operating Agreement and the Servicing Agreement. The Issuer will not enter into any agreement amending, modifying or terminating, the Operating Agreement or the Servicing Agreement without (i) ten (10) days' prior notice to each Rating Agency, (ii) ten (10) days' prior notice thereof to the Trustee, which notice shall specify the action proposed to be taken by the Issuer (and the Trustee shall promptly deliver a copy of such notice to each Noteholder), and (iii) satisfaction of the Rating Confirmation Test with respect thereto.

(e) Without at least 30 days' prior written notice to the Trustee, the Issuer shall not change its name, or the name under which it does business, from the name shown on the signature pages hereto.

(f) The Issuer agrees to deliver to the Trustee and the Rating Agency a certificate of an Authorized Officer to the effect set forth in Section 3.02 (b)(i) promptly after the distribution to the Issuer of any non-Cash property by a Limited Partnership in respect of a Collateral Interest if such property does not constitute "general intangibles" or "accounts" under the applicable Uniform Commercial Code.

SECTION 7.06 Performance of Obligations. (a) The Issuer may not enter into any amendment or waiver of or supplement to any Limited Partnership Agreement included in the Collateral without the prior consent of a Majority of the Controlling Class; provided, that,

notwithstanding anything in this Section 7.06(a) to the contrary, the Issuer may enter into any amendment or waiver of or supplement to any such Limited Partnership Agreement:

(i) if such amendment, supplement or waiver is required by the provisions of any Limited Partnership Agreement or by applicable law (other than pursuant to an Limited Partnership Agreement),

(ii) if such amendment, supplement or waiver is necessary to cure any ambiguity, inconsistency or formal defect or omission in such Limited Partnership Agreement,

(iii) to the extent expressly permitted or authorized by any amendment of or supplement to this Indenture entered into in accordance with Section 8.01 or 8.02 (but subject to the conditions therein specified),

(iv) to make any other change deemed necessary by the Issuer (but only if, as of the date of any such proposed amendment, the Overcollateralization Test is satisfied); or

(v) to make any other change deemed necessary by the Issuer (but only if such change does not materially adversely affect the interests of the Noteholders in the Collateral as determined by the Issuer in good faith).

(b) The Issuer may, with the prior written consent of a Majority of each Class, contract with other Persons, including the Trustee, for the performance of actions and obligations to be performed by the Issuer hereunder by such Persons and the performance of the actions and other obligations with respect to the Collateral of the nature set forth in the Servicing Agreement by the Servicer. Notwithstanding any such arrangement, the Issuer shall remain liable for all such actions and obligations.

In the event of such contract, the performance of such actions and obligations by such Persons shall be deemed to be performance of such actions and obligations by the Issuer; and the Issuer will punctually perform, and use their best efforts to cause such other Person to perform, all of their obligations and agreements contained in the Servicing Agreement or such other agreement.

SECTION 7.07 Negative Covenants. (a) The Issuer will not:

(i) sell, assign, participate, transfer, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (or permit such to occur or suffer such to exist), any part of the Collateral, except as expressly permitted by this Indenture;

(ii) claim any credit on, make any deduction from, or dispute the enforceability of, the payment of the principal, interest or distributions (or any other amount) payable in respect of the Notes and Preferred Units (other than amounts required to be paid, deducted or withheld in accordance with any applicable law or regulation of any governmental authority) or assert any claim against any present or future Noteholder

or Preferred Unitholder, by reason of the payment of any taxes levied or assessed upon any part of the Collateral;

(iii) (A) incur or assume or guarantee any indebtedness, other than the Notes and pursuant to this Indenture; (B) issue any additional class of securities; or (C) issue any additional membership interests, other than the Preferred Units and the Common Units;

(iv) (A) permit the validity or effectiveness of this Indenture or any Grant hereunder to be impaired, or permit the lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to this Indenture or the Notes, except as may be expressly permitted hereby, (B) permit any lien, charge, adverse claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof, any interest therein or the proceeds thereof, or (C) take any action that would permit the lien of this Indenture not to constitute a valid first priority security interest in the Collateral;

(v) use any of the proceeds of the Notes issued hereunder (A) to extend "purpose credit" within the meaning given to such term in Regulation U or (B) to purchase or otherwise acquire any Margin Stock;

(vi) permit the aggregate book value of all Margin Stock held by the Issuer on any date to exceed the net worth of the Issuer on such date (excluding any unrealized gains and losses) on such date; or

(vii) dissolve or liquidate in whole or in part, except as permitted hereunder.

(b) Neither the Issuer nor the Trustee shall sell, transfer, exchange or otherwise dispose of Collateral, or enter into or engage in any business with respect to any part of the Collateral except as expressly permitted by this Indenture.

SECTION 7.08 Statement as to Compliance. On or before December 31 in each calendar year commencing in 2002, or immediately if there has been a Default in the fulfillment of an obligation under this Indenture, the Issuer shall deliver to the Trustee, each Noteholder making a written request therefor, the Paying Agent and each Rating Agency an Officer's certificate stating, as to each signer thereof, that:

(a) a review of the activities of the Issuer and of the Issuer's performance under this Indenture during the twelve-month period ending on December 1 of such year (or from the Closing Date until December 1, 2002, in the case of the first such Officer's certificate) has been made under such Officer's supervision; and

(b) to the best of such Officer's knowledge, based on such review, the Issuer has fulfilled all of its obligations under this Indenture throughout the period, or, if there has been

a Default in the fulfillment of any such obligation, specifying each such Default known to such Officer and the nature and status thereof, including actions undertaken to remedy the same.

SECTION 7.09 Issuer May Consolidate Only on Certain Terms. (a) The Issuer shall not consolidate or merge with or into any other Person or transfer or convey all or substantially all of its assets to any Person, unless permitted by Delaware law and unless:

(i) the Issuer shall be the surviving entity, or the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or to which all or substantially all of the assets of the Issuer are transferred or conveyed shall be a limited liability company organized under the laws of Delaware or such other jurisdiction outside the United States as may be approved by a Majority of each Class; provided, that no such approval shall be required in connection with any such transaction undertaken solely to effect a change in the jurisdiction of organization pursuant to Section 7.04, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee and each Noteholder, the due and punctual payment of the principal of and interest on all Notes and the performance of every covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

(ii) each Rating Agency shall have received written notification of such consolidation, merger, transfer or conveyance and the Rating Confirmation Test shall have been satisfied with respect thereto.

(iii) if the Issuer is not the surviving entity, the Person formed by such consolidation or into which the Issuer is merged or to which all or substantially all of the assets of the Issuer are transferred or conveyed shall have agreed with the Trustee (A) to observe the same legal requirements for the recognition of such formed or surviving entity as a legal entity separate and apart from any of its Affiliates as are applicable to the Issuer with respect to its Affiliates and (B) not to consolidate or merge with or into any other Person or transfer or convey the Collateral or all or substantially all of its assets to any other Person except in accordance with the provisions of this Section 7.09;

(iv) if the Issuer is not the surviving entity, the Person formed by such consolidation or into which the Issuer is merged or to which all or substantially all of the assets of the Issuer are transferred or conveyed shall have delivered to the Trustee and each Rating Agency an Officer's certificate and an Opinion of Counsel each stating that such Person shall be duly organized, validly existing and (if applicable) in good standing in the jurisdiction in which such Person is organized; that such Person has sufficient power and authority to assume the obligations set forth in subclause (a)(i) above and to execute and deliver an indenture supplemental hereto for the purpose of assuming such obligations; that such Person has duly authorized the execution, delivery and performance of an indenture supplemental hereto for the purpose of assuming such obligations and that such supplemental indenture is a valid, legal and binding obligation of such Person, enforceable in accordance with its terms, subject only to bankruptcy, reorganization, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); that, immediately following the event

which causes such Person to become the successor to the Issuer, (A) such Person has good and marketable title, free and clear of any lien, security interest or charge, other than the lien and security interest of this Indenture, to the Collateral and (B) the Trustee continues to have a valid perfected first priority security interest in the Collateral securing all of the Notes; and such other matters as the Trustee or any Noteholder may reasonably require.

(v) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(vi) the Issuer shall have delivered to the Trustee and each Noteholder and Preferred Unitholder an Officer's certificate and an Opinion of Counsel each stating that such consolidation, merger, transfer or conveyance and such supplemental indenture comply with this Article VII, that all conditions precedent in this Article VII provided for relating to such transaction have been complied with and that no adverse tax consequences will result therefrom to any Noteholder or Preferred Unitholder;

(vii) the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that after giving effect to such transaction, the Issuer will not be required to register as an investment company under the Investment Company Act; and

(viii) the Liquidity Facility Provider shall have consented to such action.

SECTION 7.10 No Other Business. The Issuer shall not engage in any business or activity other than issuing and selling the Notes pursuant to this Indenture, issuing and selling the Preferred Units and the Common Units and acquiring, owning, holding and pledging Collateral Interests and other Collateral described in clauses (a) through (i) of the first sentence of the Granting Clauses in connection therewith. The Issuer will not amend its organizational documents if such amendment would result in the rating of any Class of Notes being reduced or withdrawn.

SECTION 7.11 Reaffirmation of ating; Annual Rating Review (a) So long as any of the Notes remain Outstanding, on or before December 31 in each year commencing in 2002, the Issuer shall obtain and pay for surveillance of the rating of the Class A1 Notes, the Class A2 Notes, the Class B1 Notes, the Class B2 Notes and the Preferred Units from Standard & Poor's.

(b) The Issuer shall promptly notify the Trustee in writing (which shall promptly notify the Noteholders) if at any time the rating of any Class of Notes has been, or is known will be, changed or withdrawn.

SECTION 7.12 Reporting. At any time when the Issuer is not subject to Sections 13 or 15(d) of the Exchange Act and is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, upon the request of a Holder or Beneficial Owner, the Issuer shall promptly furnish or cause to be furnished Rule 144A Information to such Holder or Beneficial Owner, to a prospective purchaser of such Note designated by such Holder or Beneficial Owner or to the Trustee for delivery to such Holder or Beneficial Owner or a prospective purchaser designated by such Holder or Beneficial Owner, as the case may be, in

order to permit compliance by such Holder or Beneficial Owner with Rule 144A under the Securities Act in connection with the resale of such Note by such Holder or Beneficial Owner.

SECTION 7.13 Calculation Agent. (a) The Issuer hereby agree that for so long as any of the Notes remain Outstanding the Issuer will at all times maintain an agent appointed to calculate LIBOR in respect of each Interest Period in accordance with the terms of Appendix B (the "Calculation Agent"), which shall be a financial institution, subject to supervision or examination by Federal or state authority, having a rating of at least "BBB+" by Standard & Poor's and having an office within the United States. The Issuer has initially appointed the Trustee as Calculation Agent for purposes of determining LIBOR for each Interest Period. The Calculation Agent may be removed by the Issuer at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer, the Issuer will promptly appoint a replacement Calculation Agent. The Calculation Agent may not resign its duties without a successor having been duly appointed.

(b) The Calculation Agent shall, as soon as possible after 11:00 a.m. (London time) on each LIBOR Determination Date, but in no event later than 11:00 a.m. (London time) on the Business Day immediately following each LIBOR Determination Date, calculate the Interest Rate for each Class of Notes for the related Interest Period and the amount of interest for the related Interest Period payable in respect of each U.S.$1,000 in principal amount of each Class of Notes (in each case rounded to the nearest cent, with half a cent being rounded upward) on the related Quarterly Distribution Date and will communicate such rates and amounts and the related Quarterly Distribution Date to the Issuer, the Trustee, each Paying Agent, the Depository and the Custodian. The Calculation Agent will also specify, to the Issuer the quotations upon which the Interest Rate for each Class of Notes is based, and in any event the Calculation Agent shall notify the Issuer before 5:00 p.m. (London time) on each LIBOR Determination Date that either: (i) it has determined or is in the process of determining the Interest Rate for each Class of Notes or (ii) it has not determined and is not in the process of determining such Interest Rates, together with its reasons therefor.

The determination of the Interest Rate for each Class of Notes shall (in the absence of manifest error) be final and binding upon the parties hereto and the Noteholders.

SECTION 7.14 Amendment of Certain Documents. Prior to entering into any amendment or other modification of, or consenting to or directing any assignment or termination of the Servicing Agreement, the Rating Confirmation Test with respect thereto must be satisfied.

SECTION 7.15 Capital Calls. The Issuer hereby represents and warrants that it has no payment obligations in respect of the Collateral Interests other than in respect of Capital Calls as provided in the applicable Limited Partnership Agreements for the purposes stated therein.

SECTION 7.16 Diversity Reports and Other Information. The Issuer shall provide to the Rating Agency and to the Liquidity Facility Provider, at least quarterly, a report on the portfolio of investments underlying the Collateral Interests, showing the three largest industry sector concentrations, the three largest Limited Partnership concentrations and the three

largest concentrations of General Partners (and their affiliates) in respect of the Limited Partnerships. Minimum diversity requires that each category of concentration not exceed specific levels of aggregate Net Asset Value as reflected in the most recent report from the General Partners. The Rating Agency requires that the Servicer provide notification in the form of the Diversification Report set forth in Exhibit J attached hereto within 10 Business Days after receiving indication that any concentration measure exceeds the minimum diversification requirements. In addition, upon reasonable request by the Rating Agency or the Liquidity Facility Provider, no more frequently than monthly, the Issuer shall provide current information, including statistical information, similar in scope and types to that provided to the Rating Agency and to the Liquidity Facility Provider prior to the Closing Date in respect of the Collateral Interests. Standard & Poor's may request from time to time, for so long as it is rating any Class of the Notes, that the Issuer shall obtain a valuation of the Collateral prepared by an Approved Evaluator, the expense of which shall be treated as an Administrative Expense hereunder.

## ARTICLE VIII

## SUPPLEMENTAL INDENTURES

SECTION 8.01 Supplemental Indentures Without Consent of Noteholders or Preferred Unitholders. Without the consent of the Holders of any Notes or the Preferred Unitholders, the Issuer, when authorized by Board Resolutions, and the Trustee, at any time and from time to time subject to the requirement provided below in this Section 8.01 with respect to the ratings of the Notes and subject to Section 8.03, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to add to the covenants of the Issuer or the Trustee for the benefit of the Holders of all of the Notes or to surrender any right or power herein conferred upon the Issuer;

(b) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(c) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee, Calculation Agent, Custodian, Note Registrar, Paying Agent and/or any other Person, and the compensation thereof, and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Sections 6.10, 6.12 and 6.13;

(d) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture (including any and all actions necessary or desirable as a result of changes in law or regulations) or to subject to the lien of this Indenture any additional property;

(e) to modify the restrictions on and procedures for resale and other transfer of the Notes in accordance with any change in any applicable law or regulation (or the interpretation thereof) or to enable the Issuer to rely upon any less restrictive exemption from

registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(f) to correct any inconsistency, defect or ambiguity in this Indenture; or

(g) to accommodate the issuance of any Class of Notes in book-entry form through the facilities of DTC or otherwise.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties, liabilities or indemnities under this Indenture or otherwise, except to the extent required by law.

The Trustee shall not enter into any such supplemental indenture if, as a result of such supplemental indenture, the interests of any Holder of Notes or any Preferred Unitholder would be materially and adversely affected thereby. Unless notified by a Majority of any Class of Notes that such Class will be materially and adversely affected, the Trustee shall be entitled to rely upon an Opinion of Counsel as to whether the interests of any Holder of Notes would be materially and adversely affected by any such supplemental indenture (after giving notice of such change to the Holders). At the cost of the Issuer, the Trustee shall provide to the Noteholders, and the Preferred Unitholders a copy of any proposed supplemental indenture at least ten (10) days prior to the execution thereof by the Trustee and a copy of the executed supplemental indenture after its execution. At the cost of the Issuer, the Trustee shall provide to each Rating Agency a copy of any proposed supplemental indenture at least ten (10) days prior to the execution thereof by the Trustee, and, for so long as any Notes are Outstanding, request a Rating Confirmation from each Rating Agency and, as soon as practicable after the execution by the Trustee and the Issuer of any such supplemental Indenture, provide to each Rating Agency a copy of the executed supplemental Indenture. The Trustee shall not enter into any such supplemental Indenture if, as a result of such supplemental Indenture, the then-current rating, if any, of any Outstanding Class of Notes would be reduced or withdrawn by any Rating Agency, as evidenced by a written instrument or instruments signed by each Rating Agency; provided, that the Trustee may, with the consent of the Holders of 100% of the Aggregate Outstanding Amount of Notes of each Class, enter into any such supplemental Indenture notwithstanding any such reduction or withdrawal of the ratings of any Outstanding Class of Notes.

Promptly after the execution by the Issuer and the Trustee of any supplemental Indenture pursuant to this Section 8.01, the Trustee, at the expense of the Issuer, shall mail to the Holders of the Notes, the Preferred Unitholders and each Rating Agency a copy thereof. Any failure of the Trustee to publish or mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental Indenture.

SECTION 8.02 Supplemental Indentures with Consent of Noteholders and Preferred Unitholders. With the consent of the Holders of not less than a Majority of the Aggregate Outstanding Amount of each Class adversely affected thereby (by Act of said Holders delivered to the Trustee and the Issuer) and the consent of the Liquidity Facility Provider if materially and adversely affected thereby (delivered by Liquidity Facility Provider to the Trustee

and the Issuer), the Trustee and Issuer may, subject to Section 8.03, enter into one or more indentures supplemental hereto to add any provisions to, or change in any manner or eliminate any of the provisions of, this Indenture or modify in any manner the rights of the Holders of the Notes of such Class, as the case may be, under this Indenture; provided that the Issuer shall not enter into any supplemental Indenture that materially and adversely affects the Preferred Unitholders without the consent of a Special Majority of Preferred Unitholders; provided, that notwithstanding anything in this Indenture to the contrary, no such supplemental Indenture shall, without the consent of each Holder of each Outstanding Note of each Class adversely affected thereby:

(a) change the Stated Maturity of the principal of or the due date of any installment of interest on any Note, reduce the principal amount thereof or the Interest Rate thereon, or the Redemption Price with respect thereto, or change the earliest date on which the Issuer may redeem any Note, change the provisions of this Indenture relating to the application of proceeds of any Collateral to the payment of principal of or interest on Notes or change any place where, or the coin or currency in which, any Note or the principal thereof or 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 applicable Redemption Date);

(b) reduce the percentage of the Aggregate Outstanding Amount of Holders of Notes of each Class whose consent is required for the authorization of any such supplemental Indenture or for any waiver of compliance with certain provisions of this Indenture or certain Defaults hereunder or their consequences provided for in this Indenture;

(c) impair or adversely affect the Collateral except as otherwise expressly permitted in this Indenture;

(d) except as expressly permitted in this Indenture, permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Collateral or terminate such lien on any property at any time subject hereto (other than in connection with the Sale thereof in accordance with this Indenture) or deprive the Holder of any Note of the security afforded by the lien of this Indenture;

(e) reduce the percentage of the Aggregate Outstanding Amount of Holders of Notes of each Class whose consent is required to request the Trustee to preserve the Collateral or rescind the Trustee's election to preserve the Collateral pursuant to Section 5.05 or to sell or liquidate the Collateral pursuant to Section 5.04 or 5.05;

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

(g) modify the definition of the term "Outstanding", Section 11.01 or Section 12.01;

(h) increase the permitted minimum denominations of any Class of Notes; or

(i) modify any of the provisions of this Indenture in such a manner as to affect the calculation of the amount of any payment interest on or principal of any Note on any Quarterly Distribution Date or the rights of the Holders of Notes to the benefit of any provisions for the Redemption of such Notes contained herein.

Not later than fifteen (15) Business Days prior to the execution of any proposed supplemental indenture pursuant to this Section 8.02, the Trustee, at the expense of the Issuer shall mail to the Noteholders, the Preferred Unitholders and each Rating Agency a copy of such supplemental indenture (or a description of the substance thereof) and shall request each Rating Agency, to determine and certify in writing to the Trustee and the Issuer whether, as a result of such supplemental indenture, such Rating Agency would cause its then current rating, if any, of any Class of Notes to be reduced or withdrawn. If any Class of Notes is then rated by any Rating Agency, the Trustee shall not enter into any such supplemental indenture if, as a result of such supplemental indenture, the then-current rating, if any, of any Class of Notes would be reduced or withdrawn, as evidenced by a written instrument or instruments signed by each Rating Agency, unless each Holder of Notes of each Class whose rating will be reduced or withdrawn has, after notice that the proposed supplemental Indenture would result in such reduction or withdrawal of the rating of the Class of Notes held by such Holder, consented to such supplemental indenture. Unless notified by a Majority of any Class of Notes that such Class will be materially and adversely affected, or by a Majority-in-Interest of Preferred Unitholders that the Preferred Units will be materially and adversely affected, the Trustee may, consistent with the written advice of counsel, determine whether or not such Class of Notes would be adversely affected by such change (after giving notice of such change to the Holders of the Notes and the Preferred Unitholders). Such determination shall be conclusive and binding on all present and future Holders of the Notes and the Preferred Unitholders. The Trustee shall not be liable for any such determination made in good faith and in reliance in good faith upon an Opinion of Counsel delivered to the Trustee as described in Section 8.03.

It shall not be necessary for any Act of Noteholders or the Preferred Unitholders under this Section 8.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to this Section 8.02, the Trustee, at the expense of the Issuer, shall mail to the Holders of the Notes, the Preferred Unitholders and each Rating Agency a copy thereof. Any failure of the Trustee to publish or mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.03 Execution of Supplemental Indentures. In executing or accepting the additional trusts created by any supplemental indenture permitted by this Article VIII or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 6.01 and 6.03) shall be fully protected in relying in good faith upon an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent thereto have been complied with. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or indemnities under this Indenture or otherwise.

SECTION 8.04 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article VIII, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore and thereafter authenticated and delivered hereunder and every Preferred Unitholder shall be bound thereby.

SECTION 8.05 Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article VIII may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes, so modified as to conform in the opinion of the Trustee and the Issuer to any such supplemental indenture, may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

## ARTICLE IX

## REDEMPTION OF NOTES

SECTION 9.01 Redemption of Notes. (a) The Notes shall be mandatory redeemable, commencing on the first anniversary of the Closing Date, in the amounts calculated pursuant to Section 9.01(b) hereof. Any such redemption (a "Redemption") may be effected only on a Quarterly Distribution Date and only in accordance with the Priority of Payments.

(b) The Class A1 Notes shall be redeemed from available funds in accordance with the Priority of Payments until the Aggregate Outstanding Amount of the Class A1 Notes is equal to $47,000,000 (the "Redemption Threshold"). Thereafter, any Monies that would otherwise be available for the Redemption of Class A1 Notes in accordance with the Priority of Payments shall be deposited into the Note Reserve Account until the total amount of Monies available in the Note Reserve Account is equal to $51,500,000 (the "Note Reserve Account Maximum Balance") and thereafter in accordance with the Priority of **Payments.**

After achievement of the Redemption Threshold, the Class A1 Notes shall be redeemed from the Note Reserve Account and other available funds in accordance with the Priority of Payments on the earlier of (i) the next Quarterly Distribution Date following three consecutive Due Periods in which the Net Asset Value (plus the amount of Unfunded Commitments) of the Issuer, as measured two Business Days prior to the Quarterly Distribution Date, is less than $80,000,000 and (ii) December 31, 2011. After such Redemption of Class A1 Notes any amounts remaining in the Note Reserve Account shall be retained in the Note Reserve Account until the Liquidity Commitment Termination Date and, on the Liquidity Commitment Termination Date, shall be applied to repay amounts due under the Liquidity Facility Agreement, if any, and then the remainder shall be deposited in the Collection Account for application in accordance with the Priority of Payments.

Once the Note Reserve Account Maximum Balance has been deposited in the Note Reserve Account, the Issuer shall, consistent with the Priority of Payments as described in Section 11.01(a), redeem the Class A2 Notes from available funds until they have been repaid in full. Immediately thereafter, consistent with the Priority of Payments as described in Section

11.01(a), the Class B1 Notes shall be redeemed in full from available funds and, thereafter, the Class B2 Notes shall be redeemed in full from available funds.

SECTION 9.02 Notice of Maturity by the Issuer. Notice of the Maturity of any Class of Notes shall be given by the Trustee by first class mail, postage prepaid, mailed not less than ten (10) Business Days prior to the applicable Maturity Date to each Holder of Notes to mature, at such Holder's address in the Note Register and to the Paying Agent and each Rating Agency.

All such notices of maturity shall state:

(a) the applicable Maturity Date;

(b) the applicable Record Date;

(c) the principal amount of each Class of Notes to mature and that interest on such principal amount of Notes shall cease to accrue on the date specified in the notice; and

(d) the place or places where such Notes are to be surrendered for payment upon Maturity, which shall be the office or agency of the Issuer to be maintained as provided in Section 7.02.

Any notice required to be furnished pursuant to this Section 9.02 shall be given by the Issuer or, at the Issuer' request, by the Trustee in the name and at the expense of the Issuer. Failure to give notice of redemption, or any defect therein, to any Holder of any Note selected for Redemption shall not impair or affect the validity of the Redemption of any other Notes.

## ARTICLE X

## ACCOUNTS, ACCOUNTINGS AND RELEASES

SECTION 10.01 Collection of Money. (a) Except as otherwise expressly provided herein, the Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all Money and other property payable to or receivable by the Trustee pursuant to this Indenture, including all payments due on the Collateral Interests in accordance with the terms and conditions of such Collateral Interests. The Trustee shall segregate and hold all such Money and property received by it in trust for the Secured Parties and shall apply it as provided in this Indenture.

(b) Each of the parties hereto hereby agrees to cause the Custodian to agree with the parties hereto that (x) each Account is a Securities Account, and (y) the Securities and property, other than Cash, credited to any Account is to be treated as a Financial Asset under Article 8 of the UCC. In no event may any Financial Asset held in any Account be registered in the name of, payable to the order of, or specially Indorsed to, the Issuer unless such Financial Asset has also been Indorsed in blank or to the Custodian. Each Account shall be held and maintained at an office located in the United States.

SECTION 10.02 Collection Account; Cash Reserve Account; Note Reserve Account; Custodial Account. The Trustee shall, prior to the Closing Date, cause to be established a Securities Account which shall be designated as the "Collection Account", which shall be held in the name of the Trustee in trust for the benefit of the Secured Parties, into which the Trustee shall from time to time deposit, in addition to the deposits required pursuant to Section 10.05(c), (i) all distributions and other payments, if any, received by the Issuer with respect to the Collateral Interests, (ii) all amounts, if any, received by the Issuer pursuant to the Rate Cap Agreement, (iii) all proceeds received from the disposition of Collateral, if any, including without limitation any portion of any termination payments received by the Issuer in connection with the termination of any portion of the notional amount under the Rate Cap Agreement, and (iv) all amounts of excess tax distributions, if any, returned to the Trustee by a holder of Preferred Units or Common Units pursuant to Section 6.2(b) of the Operating Agreement.

(b) (i) (i) The Trustee shall maintain a subaccount of the Collection Account, which subaccount shall be designated as the "Recall Account," into which the Trustee, upon notice from the Servicer to do the same, shall from time to time deposit all distributions in respect of Collateral Interests of cash that, pursuant to the applicable Limited Partnership Agreement, would result in a commensurate increase to the Unfunded Commitment in respect of such Collateral Interest. The Servicer shall provide the Trustee with notice of any such distribution that results in such an increase to the related Unfunded Commitment. On each Quarterly Distribution Date, notwithstanding the provisions of Section 11.01, all Monies in the Recall Account shall be applied to the early redemption of principal of the Class B2 Notes up to their Aggregate Outstanding Amount.

(ii) The Trustee shall maintain a subaccount of the Collection Account, which subaccount shall be designated as the "Class B2 Reserve Account," into which the Trustee shall deposit all proceeds of the issuance of the Class B2 Notes issued in connection with a ratings downgrade of any Seller as provided in Section 2.6(c) of each of the Asset Sale Agreements. The Trustee shall apply the amounts on deposit in the Class B2 Reserve Account, as directed by the Servicer, solely to meet the obligation of the Issuer to pay, from time to time, Unfunded Commitments in respect of Capital Calls made by the General Partners of the relevant Limited Partnerships; provided, however, that, upon the termination of any Limited Partnership, an amount equal to the total remaining amount of the Unfunded Commitment, if any, related to such Limited Partnership may be deposited into the Collection Account and applied in accordance with the Priority of Payments.

(c) The Trustee shall, prior to the Closing Date, cause to be established (i) a Securities Account which shall be designated as the "Cash

Reserve Account", which shall be held in the name of the Trustee in trust for the benefit of the Secured Parties, into which the Trustee shall from time to time deposit, amounts from the Collection Account with in accordance with the Priority of Payments and (ii) a Securities Account which shall be designated as the "Note Reserve Account", which shall be held in the name of the Trustee in trust for the benefit of the Secured Parties, into which the Trustee shall from time to time deposit the Monies available for Redemption of Class A Notes in accordance with Section 9.01(b).

(d) The Issuer may, but under no circumstances shall be required to, deposit or cause to be deposited from time to time such Monies in the Collection Account as it deems, in its sole discretion, to be advisable. All Monies deposited from time to time in the Collection Account, the Cash Reserve Account and the Note Reserve Account pursuant to this Indenture shall be held by the Trustee as part of the Collateral and shall be applied to the purposes herein provided.

(e) All distributions and other payments, if any, in respect of Collateral Interests, any deposit required pursuant to Section 10.02(d) and any net proceeds from the Sale or disposition of a Collateral Interest received by the Trustee shall be immediately deposited into the Collection Account. To the extent any amounts constituting such distributions, payments or proceeds are received by the Issuer, the Issuer shall promptly deliver such amounts to the Trustee. Subject to Sections 10.02(f) and 11.02, all amounts deposited in the Collection Account together with any securities in which funds included in such property are or will be invested or reinvested during the term of this Indenture, and any income or other gain realized from such investments, shall be held by the Trustee in the Collection Account as part of the Collateral subject to disbursement and withdrawal as provided in this Section 10.02. By Issuer Order executed by an Authorized Officer of the Issuer (which may be in the form of standing instructions), the Issuer shall at all times direct the Trustee to, and, upon receipt of such Issuer Order, the Trustee shall, invest all funds received into the Collection Account during a Due Period, and amounts received in prior Due Periods and retained in the Collection Account, as so directed in Eligible Investments.

(f) The Trustee shall apply amounts on deposit in the Collection Account, the Cash Reserve Account and the Note Reserve Account in accordance with any Redemption Date Statement delivered to the Trustee in connection with the redemption of Notes pursuant to Section 9.01.

(g) The Trustee shall, prior to the Closing Date, cause the Custodian to establish a Securities Account which shall be designated as the "Custodial Account," which shall be held in the name of the Trustee in trust for the benefit of the Secured Parties and into which the Trustee shall from time to time deposit non-Cash Collateral or any distributions in kind received from the Limited Partnerships. To the extent any such distributions from the Limited Partnerships are received by the Issuer, the Issuer shall promptly deliver such distributions to the Trustee. All non-Cash Collateral from time to time deposited in, or otherwise standing to the credit of, the Custodial Account pursuant to this Indenture shall be held by the Trustee as part of the Collateral and shall be applied to the purposes herein provided. The Trustee agrees to give the Issuer immediate notice if the Custodial Account or any funds on deposit therein, or otherwise standing to the credit of the Custodial Account, shall become subject to any writ, order judgment, warrant of attachment, execution or similar process. The Issuer shall not have any legal, equitable or beneficial interest in the Custodial Account other than in accordance with the Priority of Payments. The Trustee, within two (2) Business Days after receipt of any non-Cash distribution or other proceeds which are not Cash, shall so notify the Servicer. The Servicer shall, within five (5) Business Days of receipt of such notice from the Trustee, sell such property in any established trading market in accordance with all applicable laws and, in the event there is no established trading market for such property, the Servicer shall invite each Holder of the Class A1 Notes, the Class A2 Notes, the Class B1 Notes, the Class B2 Notes and the Preferred

Unitholders whose holdings represent at least 10% of the Issuer's total capitalization, and at least three other Persons which are not Affiliates of the Issuer, to make bids to purchase such property and the Servicer shall sell such non-Cash distribution or other proceeds for Cash in an arm's-length transaction to the highest bidder and deposit the proceeds thereof in the Collection Account; provided, that the Issuer need not sell such non-Cash distributions or other proceeds if it delivers an Officer's certificate to the Trustee certifying that such distributions or other proceeds constitute Collateral Interests or Eligible Investments.

(h) Funds on deposit in the Accounts shall at all times be invested by the Trustee in Eligible Investments at the direction of the Servicer. The Trustee shall maintain possession of any certificated negotiable instrument or security (other than certificated securities held by a clearing corporation), evidencing the Eligible Investments made with funds in the Accounts from the time of purchase thereof until the time of maturity. All interest and earnings (net of losses and investment expenses) on funds on deposit in the Accounts shall be deposited by the Trustee into the Collection Account at maturity and applied in accordance with the Priority of Payments set forth in Section 11.01(a).

(i) On the Business Day immediately preceding any Quarterly Distribution Date on which any Redemption or other payment shall be required to be made pursuant to Articles IX or XI respectively, all interest and other investment income on funds on deposit in the Accounts shall be deposited into the Collection Account.

(j) Any Cash received by the Trustee, whether held in one of the Accounts or held by the Trustee prior to deposit in any of such Accounts or prior to the investment thereof in Eligible Investments, shall be held in trust by the Trustee for the benefit of the Secured Parties.

SECTION 10.03 Reports by Trustee. The Trustee shall supply in a timely fashion to the Issuer any information regularly maintained by the Trustee that the Issuer may from time to time request with respect to the Collateral Interests, the Collection Account, the Cash Reserve Account or the Note Reserve Account reasonably needed to complete the Quarterly Report or to provide any other information reasonably available to the Trustee by reason of its acting as Trustee hereunder and required to be provided by Section 10.04. The Trustee shall forward to the Issuer, the Servicer and to any Holder of a Note shown on the Note Register copies of notices and other writings received by it from the Limited Partnerships or other issuer of any Collateral Interest or security constituting Collateral with respect to any such Collateral Interest or security advising the Issuer or any other holders of such Collateral Interest or other security of any rights that such holders might have with respect thereto (including notices of calls and redemptions of securities) as well as all periodic financial reports received from such Limited Partnership or other issuer with respect to such Limited Partnership or other issuer.

SECTION 10.04 Accountings.

(a) Quarterly Distribution Date Accounting. The Servicer shall render an accounting (a "Quarterly Report"), determined as of each Determination Date, and deliver the Quarterly Report to each Rating Agency, the Trustee, each Transfer Agent, each Paying Agent, and, upon written request therefor, any Holder of a Note shown on the Note Register and any

Preferred Unitholder, not later than the Business Day preceding the related Quarterly Distribution Date. The Quarterly Report shall contain the following information (determined, unless otherwise specified below, as of the related Determination Date):

(i) the Aggregate Outstanding Amount of the Notes of each Class and as a percentage of the original Aggregate Outstanding Amount of the Notes of such Class on the first day of the immediately preceding Due Period, the amount of principal payments to be made on the Notes of each Class on the next Quarterly Distribution Date, and the Aggregate Outstanding Amount of the Notes of each Class and as a percentage of the original Aggregate Outstanding Amount of the Notes of such Class after giving effect to the principal payments, if any, on the next Quarterly Distribution Date;

(ii) the Interest Distribution Amount payable to the Holders of the Notes for the related Quarterly Distribution Date (in the aggregate and by Class);

(iii) the Class A1 Note Interest Rate and the Class A2 Note Interest Rate for the Due Period preceding the next Quarterly Distribution Date;

(iv) the Class B1 Note Interest Rate and the Class B2 Note Interest Rate on the Due Period preceding the next Quarterly Distribution Date;

(v) the Administrative Expenses payable on the next Quarterly Distribution Date on an itemized basis, setting forth, separately, the Mandatory Expenses;

(vi) (A) the Balance on deposit in the Collection Account at the end of the related Due Period; (B) the amounts payable from the Collection Account pursuant to Section 11.01(a)(i) on the next Quarterly Distribution Date; (C) the amounts, if any, required to be drawn under the Liquidity Facility and (D) the Balance remaining in the Collection Account immediately after all payments and deposits to be made on such Quarterly Distribution Date;

(vii) (A) the Balance on deposit in the Cash Reserve Account at the end of the related Due Period; (B) the amounts payable from the Cash Reserve Account pursuant to Section 11.01(a)(ii) on the next Quarterly Distribution Date; and (C) the Balance remaining in the Cash Reserve Account immediately after all payments and deposits to be made on such Quarterly Distribution Date;

(viii) (A) the Balance on deposit in the Note Reserve Account at the end of the related Due Period; (B) the amounts payable from the Note Reserve Account pursuant to Section 11.01(a)(ii) on the next Quarterly Distribution Date; and (C) the Balance remaining in the Note Reserve Account immediately after all payments and deposits to be made on such Quarterly Distribution Date;

(ix) the amounts, if any, expected to be paid to the Issuer on such Quarterly Distribution Date and released from the lien of this Indenture;

(x) a calculation of each of the items set forth in this
Section 10.04(a) above for such Quarterly Distribution Date; and

(xi) calculation as of the Determination Date of the Overcollateralization Ratio and Risk Weighted Total Asset Value.

Each Quarterly Report shall contain instructions to the Trustee to withdraw on the related Quarterly Distribution Date from the Collection Account and pay or transfer amounts set forth in such report in the manner specified, and in accordance with the priorities established in, Section 11.01(a).

In addition to the foregoing information, each Quarterly Report shall include a statement to the following effect:

"The Investment Company Act of 1940, as amended (the "Investment Company Act"), requires that all holders of the outstanding securities of the Issuer be "qualified purchasers" ("Qualified Purchasers") as defined in Section 2(a)(51)(A) of the Investment Company Act and related rules. Under the rules, each of the Issuer or an agent acting on its behalf must have a "reasonable belief" that all holders of its outstanding securities, including transferees, are Qualified Purchasers. Consequently, all resales of the Notes in the United States or to U.S. Persons must be made pursuant to Regulation D or Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), solely to purchasers that are either institutional "accredited investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act ("Institutional Accredited Investors") or "qualified institutional buyers" ("Qualified Institutional Buyers") within the meaning of Rule 144A and all resales of the Notes not to U.S. Persons or in the United States, must be made only to Qualified Purchasers. Each purchaser of a Restricted Global Note (other than the initial purchaser of such Restricted Global Note) will be deemed to represent at the time of purchase that: (i) the purchaser is an Institutional Accredited Investor or a Qualified Institutional Buyer and also a Qualified Purchaser; (ii) the purchaser is not a dealer described in paragraph (a)(1)(ii) of Rule 144A unless such purchaser owns and invests on a discretionary basis at least U.S.$25,000,000 in securities of issuers that are not Affiliates of the dealer; (iii) the purchaser is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan; (iv) the purchaser and each account for which it is purchasing, is required to hold and transfer at least the minimum denominations of the Notes specified in the Indenture and
(v) the purchaser will provide written notice of the foregoing, and of any applicable restrictions on transfer, to any transferee.

The Issuer directs that the recipient of this notice, and any recipient of a copy of this notice, provide a copy to any Person having an interest in this Note as indicated on the books of DTC or on the books of a participant in DTC or on the books of an indirect participant for which such participant acts as agent.

The Indenture provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any Beneficial Owner of a Global Note (or any interest therein) was not (A) in the case of a Restricted Global Note, an Institutional Accredited Investor or a Qualified Institutional Buyer at the time it acquired such Restricted Global

**Note (or interest therein) or (B) in any case a Qualified Purchaser at**
the time it acquired such Global Note (or any interest therein), then the Issuer may require, by notice to such Holder, that such Holder sell all of its right, title and interest in such Global Note to a Person that (x) either is a U.S. Person or a U.S. Resident who is a Qualified Purchaser and either an Institutional Accredited Investor or a Qualified Institutional Buyer or (y) is not a U.S. Person or a U.S. Resident (within the meaning of the Investment Company Act) and is a Qualified Purchaser, with such sale to be effected within 30 days after notice of such sale requirement is given. If such Beneficial Owner fails to effect the transfer required within such 30-day period, (AA) upon direction from the Issuer, the Trustee shall, and is hereby irrevocably authorized by such Beneficial Owner, to cause its interest in such Note to be transferred in a commercially reasonable sale (conducted by the Trustee, pursuant to the Issuer's instructions, and such instructions shall be in accordance with Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognized market or that may decline speedily in value) to a Person that certifies to the Trustee and the Issuer, in connection with such transfer, that such Person (xx) either is a U.S. Person or a U.S. Resident who is a Qualified Purchaser and either an Institutional Accredited Investor or a Qualified Institutional Buyer or (yy) is not a U.S. Person or a U.S. Resident (within the meaning of the Investment Company Act) and is a Qualified Purchaser and (BB) pending such transfer, no further payments will be made in respect of such Note (or interest therein) held by such Beneficial Owner. As used in this paragraph, the term "U.S. Person" has the meaning given such term in Regulation S under the Securities Act and the term U.S. Resident has the meaning given to such term under the Investment Company Act."

In addition to the Quarterly Report, upon the written request of any Holder of a Note shown on the Note Register or any Rating Agency, the Issuer shall deliver to such Holder or Rating Agency, as the case may be, a report containing the number and identity of each Collateral Interest held by the Issuer on the last day of the Due Period most recently ended. The Quarterly Report shall also contain the information set forth in Exhibit I hereto.

(b) If the Trustee shall not have received any accounting provided for in this Section 10.04 on the first Business Day after the date on which such accounting is due to the Trustee, the Trustee shall use reasonable efforts to cause such accounting to be made by the applicable Quarterly Distribution Date. To the extent the Trustee is required to provide any information or reports pursuant to this Section 10.04 as a result of the failure of the Issuer to provide such information or reports, the Trustee shall be entitled to retain an Independent certified public accountant in connection therewith and the reasonable costs incurred by the Trustee for such Independent certified public accountant shall be reimbursed pursuant to Section 6.08.

SECTION 10.05 Release of Collateral. (a) If no Event of Default has occurred and is continuing and subject to Article XII, the Issuer may, by Issuer Order executed by an Authorized Officer of the Servicer and delivered to the Trustee at least two (2) Business Days prior to the settlement date or sale date for any sale of a Collateral Interest or of any security, instrument or other property constituting part of the Collateral certifying that the conditions set forth in Section 12.01 are satisfied, direct the Trustee to release such Collateral

Interest, security, instrument or other property from the lien of this Indenture against receipt of payment therefor.

(b) The Issuer may, by Issuer Order executed by an Authorized Officer of the Servicer and delivered to the Trustee at least two (2) Business Days prior to the date set for Redemption or payment in full of a Collateral Interest or any security constituting part of the Collateral, certifying that such Collateral Interest or security is being redeemed or paid in full, direct the Trustee or, at the Trustee's instructions, the Custodian, to deliver any required documents evidencing the Trustee's interest therein or such security, if in physical form, duly endorsed, or, if such security is a Clearing Corporation Security, to cause it to be presented, to the appropriate paying agent therefor on or before the date set for redemption or payment, in each case against receipt of the Redemption Price or payment in full thereof.

(c) If no Event of Default has occurred and is continuing and subject to Article XII, the Issuer may, by Issuer Order executed by an Authorized Officer of the Manager and delivered to the Trustee at least two (2) Business Days prior to the date set for an exchange, tender or sale, certifying that a Collateral Interest or any security constituting part of the Collateral is subject to an Offer and setting forth in reasonable detail the procedure for response to such Offer, direct the Trustee or, at the Trustee's instructions, the Custodian, to deliver any required documents evidencing the Trustee's interest therein or such security, as the case may be, with any such security, if in physical form, duly endorsed, or, if such security is a Clearing Corporation Security, to cause it to be delivered, in accordance with such Issuer Order, in each case against receipt of payment therefor.

(d) The Trustee shall deposit any proceeds received by it from the disposition of a Collateral Interest, any security constituting part of the Collateral or any other item of Collateral in the Collection Account unless simultaneously applied to the purchase of Eligible Investments as permitted under and in accordance with requirements of this Article X.

(e) The Trustee shall, upon receipt of an Issuer Order at such time as there are no Notes Outstanding and all obligations of the Issuer hereunder have been satisfied, release the Collateral from the lien of this Indenture.

(f) The Issuer may retain agents to assist the Issuer in preparing any notice or other report required under this Section 10.05.

SECTION 10.06 Reports by Independent Accountants (a) At the Closing Date the Issuer shall appoint a firm of Independent certified public accountants of recognized national reputation for purposes of preparing and delivering the reports or certificates of such accountants required by this Indenture. Upon any resignation by such firm, the Issuer shall promptly appoint by Issuer Order delivered to the Trustee and each Rating Agency a successor thereto that shall also be a firm of Independent certified public accountants of recognized international reputation. If the Issuer shall fail to appoint a successor to a firm of Independent certified public accountants which has resigned within 30 days after such resignation, the Issuer shall promptly notify the Trustee of such failure in writing. If the Issuer shall not have appointed a successor within ten days thereafter, the Trustee shall promptly appoint a successor firm of Independent certified public accountants of recognized national reputation.

The fees of such Independent certified public accountants and its successor shall be payable by the Issuer or by the Trustee as provided in Section 11.01.

(b) On or before December 31 of each year (commencing December 2002), the Issuer shall cause to be delivered to the Trustee and each Rating Agency an Accountants' Report specifying the procedures applied and their associated findings with respect to (i) the Quarterly Reports and (ii) the Redemption Date Statements. At least 60 days prior to the Quarterly Distribution Date in December 2002 (and, if at any time a successor firm of Independent certified public accountants is appointed, to the Quarterly Distribution Date next following the date of such appointment), the Issuer shall deliver to the Trustee an Accountants' Report specifying in advance the procedures that such firm will apply in making the aforementioned findings throughout the term of its service as accountants to the Issuer. The Trustee shall promptly forward a copy of such Accountants' Report to each Holder of Notes of the Controlling Class, at the address shown on the Note Register. The Issuer shall not approve the institution of such procedures if a Majority of the Controlling Class, by notice to the Issuer and the Trustee within 30 days after the date of the related notice to the Trustee, object thereto.

(c) Any statement delivered to the Trustee pursuant to clause
(b) above shall be delivered by the Trustee to any Holder of a Note shown on the Note Register upon written request therefor.

SECTION 10.07 Reports to Rating Agencies, Etc. In addition to the information and reports specifically required to be provided to the Rating Agencies pursuant to the terms of this Indenture, the Issuer shall provide or procure to provide the Rating Agencies with (a) all information or reports delivered to the Trustee hereunder, (b) such additional information as the Rating Agencies may from time to time reasonably request and the Issuer determines in its reasonable discretion may be obtained and provided without unreasonable burden or expense, (c) prompt notice of any decision of the Servicer, on behalf of the Issuer, to agree to any consent, waiver or amendment to any Limited Partnership Agreement that modifies the cashflows of any Collateral Interest and (d) notice of any waiver given pursuant to Section 5.14. The Servicer, on behalf of the Issuer, shall promptly notify the Trustee if the rating of any Class of Notes has been, or it is known by the Issuer that such rating will be, changed or withdrawn.

SECTION 10.08 Tax Matters. Each Holder of Notes agrees to treat such Notes as indebtedness of the Issuer for U.S. Federal income tax purposes and further agrees not to take any action inconsistent with such treatment.

## ARTICLE XI

## APPLICATION OF MONIES

SECTION 11.01 Disbursements of Monies from the Collection Account. (a) Notwithstanding any other provision in this Indenture, but subject to the other clauses of this Article XI, Section 12.01 and Section 10.02(b), on each Quarterly Distribution Date, the Trustee shall disburse amounts deposited into the Collection Account (to the extent available) pursuant to

Section 10.02(a) as follows and for application by the Trustee in accordance with the following priorities (the "Priority of Payments"):

(i) On each Quarterly Distribution Date occurring after the date hereof until December 31, 2002, monies from the Collection Account shall be applied as follows:

(A) First, to the payment of the Mandatory Expenses of the Issuer, not to exceed $625,000 for any Due Period to which such Quarterly Distribution Date applies; provided that if, as of the related Determination Date, the Balance in the Collection Account is insufficient to pay the Mandatory Expenses pursuant to this clause (A), the Trustee shall apply any Monies from the Cash Reserve Account to pay such amount; and provided, further, that if as of the related Determination Date the Balance in the Cash Reserve Account is insufficient to pay in full such Mandatory Expenses, the Trustee shall draw on the Liquidity Facility to the extent required to make such payment in accordance with Section 11.02 to the extent such payment does not exceed the $625,000 limit per Due Period described above;

(B) Second, to the payment to the Liquidity Facility Provider for any amounts owing under the Liquidity Facility in accordance with the terms of the Liquidity Facility Agreement; provided that if as of the related Determination Date the Balance in the Collection Account is insufficient to pay such amounts to the Liquidity Facility Provider, the Trustee shall apply any Monies from the Cash Reserve Account to pay such amount; and provided, further, that, if as of the related Determination Date the Balance in the Cash Reserve Account is insufficient to pay such amounts to the Liquidity Provider, the Trustee shall draw on the Liquidity Facility to the extent required to make such payment in accordance with Section 11.02;

(C) Third, to the payment of the Class A1 Interest Distribution Amount; provided, that in the event the Balance in the Collection Account will be insufficient to pay the Class A1 Interest Distribution Amount in full, the Trustee shall apply any Monies from the Cash Reserve Account to pay such amount; and provided, further, that if, as of the related Determination Date, the Balance in the Cash Reserve Account is insufficient to pay in full the Class A1 Interest Distribution Amount, the Trustee shall draw on the Liquidity Facility to the extent required to make such payment, in accordance with
Section 11.02;

(D) Fourth, to the payment of the Class A2 Interest Distribution Amount; provided, that if, as of the related Determination Date, the

Balance in the Collection Account is insufficient to pay the Class A2 Interest Distribution Amount in full, the Trustee shall apply any Monies from the Cash Reserve Account to pay such amount; and provided, further, that if, as of the related Determination Date, the Balance in the Cash Reserve Account is insufficient to pay in full the Class A2 Interest Distribution Amount, the Trustee shall draw on the Liquidity Facility to the extent required to make such payment, in accordance with Section 11.02;

(E) Fifth, to the payment of the Class B1 Interest Distribution Amount; provided, that if, as of the related Determination Date, the Balance in the Collection Account will be insufficient to pay the Class B1 Interest Distribution Amount in full, the Trustee shall apply any Monies from the Cash Reserve Account to pay such amount;

(F) Sixth, to the payment to holders of the Preferred Units and Common Units in amounts sufficient to permit them to pay the federal, state and local income taxes attributable to their interests in the Issuer; provided, that such amount shall not exceed the Maximum Tax Distribution Amount, as reflected in the certificate furnished by the Servicer to the Trustee pursuant to Section 2.8(3)(ii) of the Servicing Agreement;

(G) Seventh, to the payment of Administrative Expenses of the Issuer other than Mandatory Expenses; provided that such payment shall not exceed $500,000 for the relevant Due Period; and provided further that (i) if as of the related Determination Date the Balance in the Collection Account is insufficient to pay such Administrative Expenses pursuant to this clause (G), the Trustee shall apply any Monies from the Cash Reserve Account to pay such amount, and (ii) if thereafter such Administrative Expenses remain unpaid, the Trustee shall draw on the Liquidity Facility to the extent required to make such payment in accordance with Section 11.02; and

(H) Eighth, for deposit into the Cash Reserve Account for application on future Quarterly Distribution Dates as provided above.

(ii) On each Quarterly Distribution Date commencing on December 31, 2002, Monies from the Collection Account shall be applied as follows:

(A) to the payment of the amounts referred to in clauses (A) through (G) of Section 11.01(a)(i) in the same order of priority as is specified therein;

(B) subject to the Overcollateralization Ratio being greater than 160%, to the payment to the holders of the Class B2 Notes of accrued

interest for the Interest Period ending on such Quarterly Distribution Date;

(C) to Redemption of Class A1 Notes in accordance with Section 9.01;

(D) for deposit into the Note Reserve Account up to an amount such that the balance in the Note Reserve Account does not exceed $51,500,000;

(E) to Redemption of the Class A2 Notes up to the Aggregate Outstanding Amount of the Class A2 Notes;

(F) to Redemption of the Class B1 Notes up to the Aggregate Outstanding Amount of, plus, to the extent not previously paid in full, any current interest due on, the Class B1 Notes;

(G) to Redemption of the Class B2 Notes up to the Aggregate Outstanding Amount of, plus, to the extent not previously paid in full, any current interest due on, the Class B2 Notes; and

(H) following redemption of all the Class B2 Notes, to the Issuer, and free of the lien of this Indenture.

(b) On the Quarterly Distribution Date falling on December 31, 2002, the Balance in the Cash Reserve Account shall be applied to the redemption of the Class A1 Notes after application of Monies in the Collection Account pursuant to Section 11.01(a)(ii), and any remaining balance thereafter shall be deposited into the Collection Account and applied in accordance with Priority of Payments.

(c) Provided that all of the Notes have been redeemed, the Issuer shall terminate no earlier than 30 days following the final liquidation of all of the Limited Partnerships, subject to the terms of the Operating Agreement. Upon such termination, all Cash available after the payment (in the order of priorities set forth above) of (i) all fees, (ii) all expenses, (iii) interest (including any Defaulted Interest and interest on Defaulted Interest) on and principal of the Notes, and (iv) distributions to the holders of the Preferred Units, to the extent of the stated value thereof (including accrued and unpaid distributions thereon), shall be distributed to the holders of the Common Units.

(d) If, on any Quarterly Distribution Date, the amount available in the Collection Account from amounts received in the related Due Period is insufficient to make the full amount of the disbursements required by the statements furnished by the Issuer pursuant to Section 10.04(b), the Trustee shall make the disbursements called for in the order and according to the priority set forth under Section 11.01(a), subject to Section 12.01 and Section 6.08, to the extent funds are available therefor.

(e) Except as otherwise expressly provided in this Section 11.01, if on any Quarterly Distribution Date the amount available in the Collection Account from amounts received in the related Due Period is insufficient to make the full amount of the disbursements

required by any lettered subclause of Section 11.01(a)(i) or Section 11.01(a)(ii) to be made to different Persons, the Trustee shall make the disbursements called for by such subclause ratably, but only after full payment has been made to the Trustee for its costs and expenses under Section 6.08, among such Persons in accordance with the respective amounts of such disbursements then due and payable to the extent funds are available therefor.

(f) The Paying Agent shall initiate a wire transfer by 12:00 noon each Quarterly Distribution Date on request of all distributions to the Noteholders and/or holders of Preferred Units of record in the immediately preceding Record Date. Such distributions shall be made to the Noteholders and/or holders of Preferred Units by wire transfer of immediately available funds upon receipt by the Paying Agent from such Persons of satisfactory wire transfer instructions on or before the related Record Date.

SECTION 11.02 Liquidity Facility. (a) The Issuer and the Liquidity Facility Provider shall enter into a Liquidity Facility Agreement dated as of the Closing Date (the "Liquidity Facility Agreement") pursuant to which the Liquidity Facility Provider shall agree to make advances, on behalf of the Issuer, for the benefit of the Secured Parties, which Liquidity Facility Agreement shall clearly indicate that amounts available thereunder are for the benefit of the Secured Parties. The only Person authorized to make drawings under the Liquidity Facility Agreement shall be the Trustee and such agreement shall be under the sole dominion and control of the Trustee for the benefit of the Secured Parties. The Trustee shall provide a copy of the Liquidity Facility Agreement to the Holders of the Class A Notes upon request.

(b) Drawing on the Liquidity Facility. The Trustee shall present a notice for payment to the Liquidity Facility Provider pursuant to the terms of the Liquidity Facility Agreement prior to 12:00 p.m., New York City time, on the Business Day preceding a Quarterly Distribution Date for amounts necessary to ensure timely payment in full on such Quarterly Distribution Date of (i) the Class A Interest Distribution Amount, (ii) Mandatory Expenses
(subject to Section 11.01(a)(i)(A)) due and owing on such date, (iii)
Administrative Expenses (subject to Section 11.01(a)(i)(G)) due and owing on such date and (iv) to repay amounts owing under the Liquidity Facility Agreement (subject Section 11.01(a)(i)(B)), and in the event that the aggregate amounts in the Collection Account as of such Business Day next preceding such Quarterly Distribution Date are insufficient to pay the amounts in (i), (ii), (iii) and
(iv) above; provided, that any above-referenced drawings under the Liquidity Facility Agreement shall be subject to the satisfaction of the conditions precedent to such drawings as set forth in the Liquidity Facility Agreement, including, without limitation, the conditions to the use of the proceeds of such drawings. Any amounts received by the Trustee from a draw under the Liquidity Facility shall be promptly deposited into the Collection Account.

(c) Other Provisions. The Trustee and the Issuer agree that upon the occurrence of a Liquidity Facility Provider Event of which an Authorized Officer of the Trustee shall have actual knowledge or the Trustee shall have received written notice, no further amounts shall be paid to the Liquidity Facility Provider other than amounts required to reimburse the Liquidity Facility Provider for any amounts drawn under the Liquidity Facility and other amounts due and owing to the Liquidity Facility Provider prior to the occurrence of such Liquidity Facility Provider Event. The Trustee and the Issuer further agree that the Liquidity Facility Provider's interest in the Collateral shall be limited to such amounts as may be due and

owing the Liquidity Facility Provider as set forth in the previous sentence, if any, and upon the occurrence and during the continuation of a Liquidity Facility Provider Event, the power of the Liquidity Facility Provider to exercise rights and privileges under this Indenture shall be suspended and shall be reinstated upon the cure of such Liquidity Facility Provider Event in accordance with the terms and conditions of the Liquidity Facility Agreement.

## ARTICLE XII

## SECURED PARTIES' RELATIONS

SECTION 12.01 Subordination. (a) Anything in this Indenture or the Notes to the contrary notwithstanding, the Issuer and the Holders of the Class B Notes agree for the benefit of the Liquidity Facility Provider and the Holders of the Class A1 Notes and Class A2 Notes that the Class B1 Notes and Class B2 Notes, in that order, and the Issuer's rights in and to the Collateral (collectively, the "Subordinate Interests") shall be subordinate and junior to the rights of the Liquidity Facility Provider with respect to payments to be made to the Liquidity Facility Provider pursuant to the Liquidity Facility, and to the Holders of the Class A1 Notes and Class A2 Notes, in that order, to the extent and in the manner set forth in this Indenture including as set forth in
Section 11.01(a) and as hereinafter provided. If any Event of Default has not been cured or waived and acceleration occurs in accordance with Article V, including as a result of an Event of Default specified in Section 5.01(h) or
(g), the Class A1 Notes and Class A2 Notes shall be paid in full in Cash or, to the extent a Majority of the Holders of the Class A Notes consent, other than in Cash, before any further payment or distribution is made on account of the Subordinate Interests.

(b) In the event that notwithstanding the provisions of this Indenture, any holder of any Subordinate Interests shall have received any payment or distribution in respect of such Subordinate Interests contrary to the provisions of this Indenture, then, unless and until all amounts payable to the Liquidity Facility Provider or the Holders of the Class A1 Notes and Class A2 Notes pursuant to Section 11.01(a)(i)(C) and (D), as the case may be, shall have been paid in full in Cash or, to the extent the Liquidity Facility Provider with respect to a payment to be made to it or a Majority of the Holders of the Class A1 Notes and Class A2 Notes, as the case may be, consent, other than in Cash in accordance with this Indenture, such payment or distribution shall be received and held in trust for the benefit of, and shall forthwith be paid over and delivered to, the Trustee, which shall pay and deliver the same to the Liquidity Facility Provider or the Holders of the Class A1 Notes and Class A2 Notes, as the case may be, in accordance with this Indenture; provided, that, if any such payment or distribution is made other than in Cash, it shall be held by the Trustee as part of the Collateral and subject in all respects to the provisions of this Indenture, including this Section 12.01.

SECTION 12.02 Standard of Conduct. In exercising any of its or their voting rights, rights to direct and consent or any other rights as a Secured Party under this Indenture, subject to the terms and conditions of this Indenture, including Section 5.09, a Secured Party or Secured Parties shall not have any obligation or duty to any Person or to consider or take into account the interests of any Person and shall not be liable to any Person for any action taken by it or them or at its or their direction or any failure by it or them to act or to

direct that an action be taken, without regard to whether such action or inaction benefits or adversely affects any Secured Party, the Issuer, or any other Person.

SECTION 12.03 Non-Petition. The Holders of the Notes, by their acceptance of such Notes, agree not to cause the filing of a petition in bankruptcy against the Issuer until at least one year and one day have elapsed since the final payments, or the extinguishment of the obligations of the Issuer, to the Holders of the Notes or, if longer, the applicable preference period then in effect.

## ARTICLE XIII

## MISCELLANEOUS

SECTION 13.01 Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any Specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Authorized Officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer of the Issuer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Authorized Officer of the Issuer, the Issuer any other Person, stating that the information with respect to such factual matters is in the possession of the Issuer or such other Person, unless such Authorized Officer of the Issuer or such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous. Any Opinion of Counsel may also be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Authorized Officer of the Issuer, stating that the information with respect to such matters is in the possession of the Issuer, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture it is provided that the absence of the occurrence and continuation of a Default is a condition precedent to the taking of any action by the Trustee at the request or direction of the Issuer, then notwithstanding that the satisfaction of such condition is a condition precedent to the Issuer' rights to make such request or direction, the Trustee shall be protected in acting in accordance with such request or direction if Trust Officer does not have knowledge of the occurrence and continuation of such Default as provided in Section 6.01(d).

SECTION 13.02 Acts of Noteholders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action or actions embodied therein and evidenced thereby) are herein sometimes referred to as the "Act of the Noteholders" signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 13.02.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Trustee deems sufficient.

(c) The principal amount and registered numbers of Notes held by any Person, and the date of his holding the same, shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Notes shall bind the Holder (and any transferee thereof) of such Note and of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

SECTION 13.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to be made upon, given or furnished to, or filed with any party shall be sufficient for every purpose hereunder if made, given, furnished or filed to such party in writing to and mailed, by certified mail, return receipt requested, hand delivered, sent by recognized overnight courier service guaranteeing next day delivery or by telecopy in legible form (with receipt confirmed) to such party at the address set forth below:

(a) If to the Issuer:

Private Equity Partnership Structures I, LLC c/o Aon Capital Managers, LLC, as Manager 200 East Randolph Drive Chicago, IL 60601

Attention: John R. Casey, President
Telephone: (312) 381-5311
Facsimile: (312) 381-0146

(b) If to the Trustee:

The Bank of New York
5 Penn Plaza, 13th Floor New York, NY 10001

| | |
|---|---|
| Telephone: | 212-896-7111 |
| Facsimile: | 212-896-7295/7296 |
| Attention: | Corporate Trust Department, Dealing and Trading Unit |

(c) If to the Liquidity Facility Provider:

Canadian Imperial Bank of Commerce 2 Paces West, Suite 1200 2727 Paces Ferry Road
Atlanta, GA 30339

| | |
|---|---|
| Telephone: | 770-319-4866 |
| Facsimile: | 770-319-4955 |
| Attention: | Melinda Lowe, Associate |

(d) If to Standard & Poor's:

notice shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed by registered mail, first class postage prepaid, hand delivered or sent by overnight courier service guaranteeing next day delivery (or second day delivery if sent from outside the United States), to Standard & Poor's addressed to it at:

Standard & Poor's
55 Water Street
40th Floor
New York, New York 10041 telecopy No. (212) 438-6021

(with confirmation of receipt thereof)

Attention: Structured Finance Ratings - Market Value Group

or at any other address previously furnished in writing to the Trustee by Standard & Poor's

Any party may alter the address or facsimile number to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 13.03 for the giving of notice.

Notices to the Noteholders shall be given by first-class mail, postage prepaid, to the registered Holders of the Notes at their addresses appearing in the Note Register.

In the event that, by reason of the suspension of the regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this

Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

SECTION 13.04 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 13.05 Successors and Assigns. All covenants and agreements in this Indenture by the Issuer shall bind their respective successors and assigns, whether so expressed or not.

SECTION 13.06 Severability. In case any provision in this Indenture or in 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 13.07 Benefits of Indenture. The Liquidity Facility Provider shall be a third party beneficiary of each agreement or obligation in this Indenture relating to payments to be made by the Issuer under the Liquidity Facility, the rights and obligations of the Secured Parties with respect to the Collateral and the priorities of payments established in Section 11.01 and Article XII, the right of the Liquidity Facility Provider to consent to supplemental indentures and the rights of the Liquidity Facility Provider to receive reports and notices hereunder. Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the Noteholders and the Liquidity Facility Provider, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 13.08 Legal Holidays. In the event that the date of any Quarterly Distribution Date or Redemption Date shall not be a Business Day, then notwithstanding any other provision of the Notes or this Indenture, payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of any such Quarterly Distribution Date or Redemption Date, as the case may be, and interest shall accrue on such payment for the period from and after any such nominal date, to but excluding, the Quarterly Distribution Date.

SECTION 13.09 Governing Law. THIS INDENTURE AND EACH NOTE **SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.**

SECTION 13.10 Submission to Jurisdiction. The Issuer hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in the Borough of Manhattan in The City of New York in any action or Proceeding arising out of or relating to the Notes or this Indenture, and the Issuer hereby irrevocably agrees that all claims in respect of such action or Proceeding may be heard and determined in such New York State or Federal court. The Issuer hereby irrevocably waives, to the fullest extent that it may legally do so, the defense of an inconvenient forum to the maintenance of such action or Proceeding. The Issuer irrevocably consents to the service of any and all process in any action or Proceeding by

the mailing or delivery of copies of such process to it at the office of the Issuer's agent in New York set forth in Section 7.02. The Issuer agrees that a final judgment in any such action or Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

SECTION 13.11 Counterparts. This instrument 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 13.12 Confidential Treatment of Documents. Except as otherwise provided in this Indenture or as required by law, this Indenture and all agreements, reports or other documents related to the transaction executed or delivered in connection with this Indenture shall be treated by the Trustee as confidential. The Trustee shall provide a copy of this Indenture to any Holder of a beneficial interest in any Note upon written request therefor in the form satisfactory to the Trustee certifying that it is such a Holder.

SECTION 13.13 Waiver of Trial by Jury. The Issuer hereby irrevocably waives any and all rights to a trial by jury in any legal proceedings arising out or in relation of this Indenture.

IN WITNESS WHEREOF, we have hereunto set our hands as of the date first above written.

**PRIVATE EQUITY PARTNERSHIP STRUCTURES I, LLC,**
**as Issuer**

By: Aon Capital Managers, LLC,
as Manager

By:_____
Name: John R. Casey
Title: President

**THE BANK OF NEW YORK,**
as Trustee, Note Registrar, Transfer Agent, Calculation Agent, Custodian and Paying Agent

By:_____
Name:
Title:

[Sogmatire Page to Indenture]

LIMITED PARTNERSHIPS

| Name | Date of Formation | Jurisdiction of Formation | Issuer's LP Interest | Unfunded Commitment |
|---|---|---|---|---|
| Apollo Investment Fund III, L.P. | February 7, 1995 | Delaware | $25,000,000 | $0.00 |
| Apollo Investment Fund IV, L.P. | April 21, 1998 | Delaware | $40,000,000 | $3,515,838.00 |
| Apollo Real Estate Investment Fund II, L.P. | May 31, 1995 | Delaware | $25,000,000 | $0.00 |
| Apollo Real Estate Investment Fund III, L.P. | May 22, 1997 | Delaware | $25,000,000 | $331,508.12 |
| Apollo Real Estate Investment Fund IV, L.P. | November 10, 1998 | Delaware | $25,000,000 | $6,870,538.00 |
| Aqua International Partners, L.P. | May 30, 1997 | Delaware | $5,000,000 | $3,009,020.00 |
| Ark Direct Capital Fund, L.P. | September 5, 1996 | Delaware | $3,000,000 | $193,775.29 |
| Atlantic Equity Partners III, L.P. | September 28, 1999 | Delaware | $10,000,000 | $6,857,282.80 |
| The Beacon Group Energy Investment Fund II, L.P. | October 23, 1998 (Date of Amended and Restated LP Agreement) | Delaware | $5,000,000 | $0.00 |
| Blackstone Real Estate Partners III L.P. | October 8, 1998 | Delaware | $15,000,000 | $7,662,496.00 |
| Capital Z Financial Services Fund II, L.P.* | July 31, 1998 | Bermuda | $35,000,000 | $12,027,800.00 |
| Carlyle Realty Partners, L.P. | June 20, 1997 | Delaware | $5,000,000 | $0.00 |
| Castle Harlan Partners III, L.P. | February 12, 1997 | Delaware | $10,000,000 | $2,182,681.00 |
| Centre Capital Investors II, L.P. | December 6, 1995 | Delaware | $10,000,000 | $306,228.00 |
| Centre Capital Investors III, L.P. | June 1, 1999 | Delaware | $15,000,000 | $6,642,243.00 |
| Century Capital Partners, LP | April 15, 1995 (Date of Amended and Restated LP Agreement) | Delaware | $5,000,000 | $0.00 |
| Clayton, Dubilier & Rice Fund V, L.P. | March 21, 1996 | Delaware | $20,000,000 | $1,905,279.00 |
| Clayton, Dubilier & Rice Fund VI, L.P. | August 20, 1998 | Cayman Islands | $20,000,000 | $13,008,663.00 |
| Code Hennessy & Simmons IV, L.P. | September 8, 1999 | Delaware | $10,000,000 | $7,152,734.00 |
| Frontenac VI Limited Partnership | June 3, 1993 | Delaware | $3,000,000 | $0.00 |

* THis is the same entity as Insurance Partners II, L.P.

| | | | | |
|---|---|---|---|---|
| Green Equity Investors II, L.P. | June 16, 1994 | Delaware | $5,000,000 | $0.00 |
| Green Equity Investors III, L.P. | December 8, 1997 | Delaware | $10,000,000 | $2,715,582.88 |
| Greenwich Street Capital Partners II, LP | July 2, 1998 | Delaware | $10,000,000 | $155,078.95 |
| Halifax Capital Partners, L.P. | June 30, 1999 | Delaware | $10,000,000 | $7,691,754.00 |
| Harbour Group Investments III, L.P. | December 22, 1993 | Delaware | $12,000,000 | $62,573.00 |
| Harbour Group Investments IV, L.P. | February 1, 1999 | Delaware | $8,000,000 | $7,196,667.00 |
| Hicks, Muse, Tate & Furst Equity Fund II, L.P. | September 9, 1993 | Delaware | $25,000,000 | $0.00 |
| Hicks, Muse, Tate & Furst Equity Fund III, L.P | May 31, 1996 | Delaware | $25,000,000 | $0.00 |
| Hicks, Muse, Tate & Furst Equity Fund IV, L.P. | July 31, 1998 | Delaware | $25,000,000 | $410,191.00 |
| Hicks, Muse, Tate & Furst Europe Fund, L.P. | April 30, 1999 | Delaware | $10,000,000 | $2,920,441.44 |
| Hicks, Muse, Tate & Furst Latin America Fund, L.P. | July 28, 1997 | Delaware | $10,000,000 | $492,872.00 |
| Hoak Communications Partners, L.P. | April 19, 1996 | Delaware | $1,000,000 | $184,331.00 |
| Insurance Partners L.P. | August 5, 1993 | Delaware | $25,000,000 | $0.00 |
| JK&B Capital III, L.P. | February 16, 1999 | Delaware | $10,000,000 | $4,000,000.00 |
| JW Childs Equity Partners I, LP | October 16, 1995 | Delaware | $5,000,000 | $744,515.52 |
| JW Childs Equity Partners II, LP | June 25, 1998 | Delaware | $7,000,000 | $2,508,346.30 |
| The Lafayette Investment Fund, LLP | May 12, 1998 | Delaware | $10,000,000 | $7,297,456.35 |
| Lehman Brothers Merchant Banking Partners II, L.P. | 1997 | Delaware | $10,000,000 | $3,066,338.14 |
| Lincolnshire Equity Fund II, L.P. | September 1998 | Delaware | $5,000,000 | $3,568,504.00 |
| Long Point Capital Fund, L.P. | December 3, 1997 | Delaware | $5,000,000 | $2,315,426.46 |
| Madison Dearborn Capital Partners II, L.P. | June 28, 1996 | Delaware | $20,000,000 | $1,009,810.00 |
| Madison Dearborn Capital Partners III, L.P. | January 26, 1997 | Delaware | $20,000,000 | $5,073,033.00 |
| Monitor Clipper Equity Partners, LP | August 25, 1997 | Delaware | $5,000,000 | $1,216,050.40 |
| Oak Hill Capital Partners (Bermuda), L.P. | July 14, 2000 | Bermuda | $20,000,000 | $6,406,729.74 |
| Olympus Real Estate Fund II, L.P. | December 23, 1997 | Delaware | $5,000,000 | $301,683.00 |
| Rhone Partners LP | March 14, 1997 | Delaware | $10,000,000 | $2,686,216.00 |
| Ripplewood Partners, L.P. | August 14, 1996 | Delaware | $5,000,000 | $987,458.00 |

| | | | | |
|---|---|---|---|---|
| Thomas H. Lee Equity Fund III, L.P. | August 17, 1995 | Delaware | $20,000,000 | $4,543,932.00 |
| Thomas H. Lee Equity Fund IV, L.P. | December 18, 1997 (Date of 1st Amended and Restated LP Agreement) | Delaware | $20,000,000 | $4,007,295.00 |
| TPG Investors III, L.P. | December 15, 1999 | Delaware | $15,000,000 | $10,910,125.00 |
| William Blair Capital Partners V, L.P. | June 16, 1995 | Delaware | $10,000,000 | $300,000.00 |
| William Blair Capital Partners VI, L.P. | July 17, 1998 | Delaware | $5,000,000 | $468,337.69 |
| William Blair Mezzanine Capital Fund, LP | March 3, 1993 | Illinois | $5,000,000 | $0.00 |

**APPENDIX A**

**LIBOR FORMULA**

With respect to each Interest Period, "LIBOR" for purposes of calculating the Interest Rate for each Class of Notes for such Interest Period will be determined by the Calculation Agent in accordance with the following provisions:

(i) LIBOR for any Interest Period shall equal the offered rate, as determined by the Calculation Agent, for Dollar deposits of three months that appears on Telerate Page 3750 (or such other page as may replace such Telerate Page 3750 for the purpose of displaying comparable rates), as reported by Bloomberg Financial Markets Commodities News, as of 11:00 a.m. (London time) on the applicable LIBOR Determination Date. "LIBOR Determination Date" means, with respect to any Interest Period, the second London Banking Day prior to the first day of such Interest Period.

(ii) If, on any LIBOR Determination Date, such rate does not appear on Telerate Page 3750 (or such other page as may replace such Telerate Page 3750 for the purpose of displaying comparable rates), as reported by Bloomberg Financial Markets Commodities News, the Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to prime banks in the London interbank market for Dollar deposits of three months (except that in the case where such Interest Period shall commence on a day that is not a LIBOR Business Day, for a term of three months commencing on the next following LIBOR Business Day), by reference to requests for quotations as of approximately 11:00 a.m. (London time) on such LIBOR Determination Date made by the Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean. If, on any LIBOR Determination Date, fewer than two Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in New York City selected by the Calculation Agent (after consultation with the Issuer) are quoting on the relevant LIBOR Determination Date for Dollar deposits for the term of such Interest Period (except that in the case where such Interest Period shall commence on a day that is not a LIBOR Business Day, for a term of three months commencing on the next following LIBOR Business Day), to the principal London offices of leading banks in the London interbank market.

(iii) In respect of any Interest Period having a Designated Maturity other than three months, LIBOR shall be determined through the use of straight-line interpolation by reference to two rates calculated in accordance with clauses (i) and (ii) above, one of which shall be determined as if the maturity of the Dollar deposits referred to therein were the period of time for which rates are available next shorter than the Interest Period and the other of which shall be determined as if such maturity were the period of time for which rates are available next longer than the Interest Period; provided that, if an Interest Period is less than or equal to seven days, then LIBOR shall be determined by reference to a rate

calculated in accordance with clauses (i) and (ii) above as if the maturity of the Dollar deposits referred to therein were a period of time equal to seven days.

(iv) If the Calculation Agent is required but is unable to determine a rate in accordance with either of the procedures described in clauses (i) or (ii) above, LIBOR with respect to such Interest Period shall be the arithmetic mean of the offered quotations of the Reference Dealers as of 10:00 a.m. (New York time) on the first day of such Interest Period for negotiable U.S. Dollar certificates of deposit of major U.S. money market banks having a remaining maturity closest to the Designated Maturity.

(v) If the Calculation Agent is required but is unable to determine a rate in accordance with any of the procedures described in clauses (i), (ii) or (iv) above, LIBOR with respect to such Interest Period will be calculated on the last day of such Interest Period and shall be the arithmetic mean of the Base Rate for each day during such Interest Period.

For purposes of clauses (i), (iii), (iv) and (v) above, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point. For the purposes of clause (ii) above, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one thirty-second of a percentage point.

As used herein:

"Base Rate" means a fluctuating rate of interest determined by the Calculation Agent as being the rate of interest most recently announced by the Base Rate Reference Bank at its New York office as its base rate, prime rate, reference rate or similar rate for Dollar loans. Changes in the Base Rate will take effect simultaneously with each change in the underlying rate.

"Base Rate Reference Bank" means The Chase Manhattan Bank, or if such bank ceases to exist or is not quoting a base rate, prime rate, reference rate or similar rate for Dollar loans, such other major money center commercial bank in New York City as is selected by the Calculation Agent.

"Designated Maturity" means, with respect to any Class of Notes (i) for the first Interest Period, the number of calendar days from, and including the Closing Date to, but excluding, the next succeeding Quarterly Distribution Date, (ii) for each Interest Period thereafter, three months, and
(iii) for the final Interest Period, the number of calendar days from, and including, the first day of such Interest Period to, but excluding, the next succeeding Quarterly Distribution Date.

"LIBOR Business Day" means a day on which commercial banks and foreign exchange markets settle payments in Dollars in New York and London.

"London Banking Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

"Reference Banks" means four major banks in the London interbank market selected by the Calculation Agent.

"Reference Dealers" means three major dealers in the secondary market for U.S. Dollar certificates of deposit selected by the Calculation Agent.

The determination of the Interest Rate for each Class of Notes by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

**EXHIBIT D**

**FORM OF RULE 144A TRANSFER CERTIFICATE**

Private Equity Partnership Structures I, LLC c/o Aon Capital Managers, LLC
200 East Randolph Drive
Chicago, IL 60601
Attention: John R. Casey

The Bank of New York
as Trustee
5 Penn Plaza, 13th Floor
New York, NY 10001
Attention: Corporate Trust Department,
Dealing and Trading Unit

Re: [Class A1 Senior Floating Rate Notes Due 2011]
[Class A2 Senior Floating Rate Notes Due 2011]
[Class B1 Subordinated Floating Rate Notes Due 2013]
[Class B2 Subordinated Floating Rate Notes Due 2013]

(the "Notes")

Reference is hereby made to the Indenture, dated as of December 31, 2001 (the "Indenture"), among Private Equity Partnership Structures I, LLC and The Bank of New York, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to the transfer by _____ (the "Transferor") of U.S.$_____ principal amount of Notes held by the Transferor. The Transferor has requested that such beneficial interest in the Notes be transferred to _____ (the "Transferee"). Delivered herewith is a Transferee Certification completed by the Transferee.

In connection with such request, and in respect of such Notes, the Transferor does hereby certify that such Notes are being transferred in accordance with (i) the transfer restrictions set forth in the Indenture and the Notes and (ii) Rule 144A under the Securities Act to a Transferee that the Transferor reasonably believes is purchasing the Notes for its own account and the Transferor reasonably believes that the Transferee is (a) a "qualified institutional buyer" within the meaning of Rule 144A and (b) a Qualified Purchaser (as defined in the Indenture), and such Transferee is aware that the sale to it is being made in reliance upon Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for your benefit.

**[INSERT NAME OF TRANSFEROR]**

By:_____
Name:
Title:

Dated:_____,_____

**TRANSFEREE CERTIFICATE**

Private Equity Partnership Structures I, LLC c/o Aon Capital Managers, LLC
200 East Randolph Drive
Chicago, IL 60601
Attention: Michael A. Conway

The Bank of New York
as Trustee
5 Penn Plaza, 13th Floor
New York, NY 10001
Attention: Corporate Trust Department,
Dealing and Trading Unit

The undersigned (the "Transferee") intends to purchase U.S.$_____ principal amount of Class [A1][A2][B1][B2] Notes (the "Notes") issued by Private Equity Partnership Structures I, LLC (the "Issuer") from the Transferor named in the Transfer Certificate to which this Transferee Certificate is attached. In connection with the transfer of such Notes, the Transferee hereby executes and delivers to each of you this "Transferee Certificate" in which the Transferee certifies to each of you the information set forth herein.

General Information
1. Print Full Name of Transferee:
2. Address and Contact Person for Notices:

3. Telephone Number:
4. Telecopier Number:
5. Permanent Address (if different than above):

6. Account details regarding the account to which the Transferee's interest in the Notes should be credited:

**Status**

7. The Transferee (i) is (x) a "qualified institutional buyer" (within the meaning of Rule 144A ("Rule 144A") under the United States Securities Act of 1933, as amended (the "Securities Act")) (a "Qualified Institutional Buyer") and (y) a Qualified Purchaser (as defined below), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Notes for its own account.
8. If required by the Indenture, the Transferee will, prior to any sale, pledge or other transfer by it of any Note (or any interest therein), obtain from the transferee and deliver to the Issuer and the Note Registrar a duly executed transferee certificate addressed to each of the Trustee and the Issuer in the form of the relevant exhibit attached to the Indenture, and such other certificates and other information as the Issuer or the Trustee may reasonably require to confirm that the proposed transfer substantially complies with the transfer restrictions contained in the Indenture.
9. The Transferee agrees that no Note (or any interest therein) may be sold, pledged or otherwise transferred in a denomination of less than the applicable minimum denomination set forth in the Indenture.
10. The Transferee understands that the Notes have not been registered under the Securities Act and, therefore, cannot be offered or sold in the United States or to U.S. Persons (as defined below) unless they are registered under the Securities Act or unless an exemption from registration is available. Accordingly, the certificates representing the Notes will bear a legend stating that the Notes have not been registered under the Securities Act and setting forth certain of the restrictions on transfer of the Notes. The Transferee understands that the Issuer has no obligation to register the Notes under the Securities Act or to comply with the requirements for any exemption from the registration requirements of the Securities Act (other than to supply information specified in Rule 144A(d)(4) of the Securities Act as required by the Indenture).
11. The Transferee is aware that no Notes (or any interest therein) may be offered or sold, pledged or otherwise transferred to (i) a transferee acquiring a Restricted Note except (a) to a transferee whom the Transferee reasonably believes is a Qualified Institutional Buyer, purchasing for its own account, to whom notice is given that the resale, pledge or other transfer is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, (b) to a transferee that is a "qualified purchaser" (as defined in the United States Investment Company Act of 1940, as amended (the "Investment Company Act"), a "knowledgeable employee" with respect to the Issuer within the meaning of Rule 3c-5 under the Investment Company Act or a company beneficially owned exclusively by one or more "qualified purchasers" and/or "knowledgeable employees" with respect to the Issuer (any of the foregoing, a "Qualified Purchaser"), (c) to a transferee that is not a Flow-Through Investment Vehicle (other than a Qualifying Investment Vehicle) (each as defined below), (d) in compliance with the certification and other requirements set forth in the Indenture and (e) in accordance with any applicable securities laws of any state of the United States and any other relevant jurisdiction or (ii) a transferee acquiring an interest in a Regulation S Global Note except (a) to a transferee that is acquiring such interest in an offshore transaction (within the meaning of Regulation
S) in accordance with Rule 903 or 904 of Regulation S, (b) to a transferee that is not a "U.S. person" (within the meaning of Regulation S) (a "U.S. Person") and is a Qualified Purchaser, (c) to a transferee that is not a Flow-Through Investment Vehicle (other than a Qualifying Investment Vehicle), (d) in compliance with the other requirements set forth in the Indenture and (e) in

accordance with any applicable securities laws of any state of the United States and any other relevant jurisdiction.

12. The Transferee understands that there is no market for the Notes and that no assurance can be given as to the liquidity of any trading market for the Notes and that it is unlikely that a trading market for the Notes will develop. Accordingly, the Transferee must be prepared to hold the Notes for an indefinite period of time or until their maturity.
13. If the Transferee is an entity that, but for the exception provided for in
Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, would be an investment company (hereinafter in this paragraph referred to as an excepted investment company):

(i) all of the beneficial owners of outstanding securities (other than short-term paper) of the Transferee (such beneficial owners determined in accordance with Section 3(c)(1)(A) of the Investment Company Act) that acquired such securities on or before April 30, 1996 (hereinafter in this paragraph referred to as "pre-amendment beneficial owners"); and

(ii) all pre-amendment beneficial owners of the outstanding securities (other than short-term paper) of any excepted investment company that, directly or indirectly, owns any outstanding securities of the Transferee,

have consented to the Transferee's treatment as a Qualified Purchaser in accordance with Section 2(a)(51)(C) of, and Rule 2a51-2 promulgated under, the Investment Company Act.
14. The Transferee, if a U.S. Resident, represents that, unless the Transferee is a Qualifying Investment Vehicle (as defined below), (i) if the Transferee would be an investment company but for the exception in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, the amount of the Transferee's investment in the Notes (including its investment in all Classes of Notes) does not exceed 40% of the total assets (determined on a consolidated basis with its subsidiaries) of the Transferee; (ii) no person owning any equity or similar interest in the Transferee has the ability to control any investment decision of the Transferee or to determine, on an investment-by-investment basis, the amount of such person's contribution to any investment made by the Transferee; (iii) the Transferee was not organized or reorganized for the specific purpose of acquiring a Note; and (iv) no additional capital or similar contributions were specifically solicited from any person owning an equity or similar interest in the Transferee for the purpose of enabling the Transferee to purchase Notes (any such transferee in (i), (ii), (iii) or (iv) above being herein referred to as a "Flow-Through Investment Vehicle"). For this purpose, a "Qualifying Investment Vehicle" is an entity (i) as to which all of the beneficial owners of any securities issued by such entity have made, and as to which (in accordance with the document pursuant to which such entity was organized or the agreement or other document governing such securities) each such beneficial owner must require any transferee of any such security to make, to the Issuer and the Note Registrar each of the representations set forth in the Indenture required to be made upon transfer of any of the Notes (with modifications to such representations satisfactory to the Issuer to reflect the indirect nature of the interests of such beneficial owners in the Notes). If the Transferee is a Flow-Through Investment Vehicle, the Transferee represents and warrants that either (i) none of the beneficial owners of its securities are U.S. residents (within the meaning of the Investment Company Act) or (ii) some or all of the beneficial owners of its securities are U.S. residents (within the meaning of the Investment

Company Act) and each such beneficial owner has certified to the Transferee that it is a Qualified Purchaser, a Knowledgeable Employee with respect to the Issuer or a company beneficially owned exclusively by one or more Qualified Purchasers and/or Knowledgeable Employees with respect to the Issuer. If the Transferee is a Flow-Through Investment Vehicle, the Transferee also represents and warrants that it has only one class of securities outstanding (other than any nominal share capital the distributions in respect of which are not correlated to or dependent upon distributions on, or the performance of, the Notes).

15. If the Transferee is a U.S. Resident, is the Transferee a Flow-Through Investment Vehicle:

[ ] Yes [ ] No

If the Transferee has stated above that it is a Flow-Through Investment Vehicle, the Transferee is a Qualifying Investment Vehicle and has attached hereto information establishing the truth of the related representations in Paragraph 10 above:

[ ] Yes [ ] No

16. Either (a) the Transferee is not, and is not a Person acting on behalf of or investing the assets of, (i) an employee benefit plan (within the meaning of Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to Title I of ERISA, (ii) a plan (within the meaning of Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (the "Code") that is subject to Section 4975 of the Code, (iii) a governmental plan (within the meaning of Section 3(32) of ERISA) or church plan (within the meaning of
Section 3(33) of ERISA) that is subject to any Federal, state or local law that is, to a material extent, similar to the provisions of Title I of ERISA or Section 4975 of the Code ("Similar Law") (each of the foregoing, a "Regulated Investor") or (b) the Transferee represents and warrants that it is a Regulated Investor its purchase and continued holding of the Notes will be covered by a prohibited transaction class exemption issued by the United States Department of Labor (or, in the case of a governmental or church plan, will not result in a violation of any Similar Law). In addition, if the Transferee is, or is acting on behalf of or investing the assets of, an employee benefit plan subject to Title I of ERISA or an employee benefit plan that is not subject to Title I ERISA but is subject to provisions of a Similar Law, the fiduciaries of such employee benefit plan represent and warrant that they have been informed of and understand the Issuer's investment objectives, policies and strategies and that the decision to invest such employee benefit plan's assets in notes was made with appropriate consideration of relevant investment factors with regard to such employee benefit plan, as the case may be, and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under Title I of ERISA or such Similar Law.
17. The Transferee agrees that (a) any sale, pledge or other transfer of a Note (or any interest therein) made in violation of the transfer restrictions contained in the Indenture, or made based upon any false or inaccurate representation made by the Transferee or a transferee to the Issuer, the Trustee or the Note Registrar, will be void and of no force or effect and (b) none of the Issuer, the Trustee and the Note Registrar has any obligation to recognize any sale, pledge or other transfer of a Note (or any interest therein) made in violation of any such transfer restriction or made based upon any such false or inaccurate representation.

18. The Transferee is not a member of the public in the Cayman Islands.

19. The Transferee understands and agrees that a legend in substantially the following form will be placed on each Note: THIS NOTE AND ANY BENEFICIAL INTEREST IN THIS NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A PERSON WHO IS BOTH (X) A QUALIFIED PURCHASER (AS DEFINED IN THE INDENTURE REFERRED TO HEREIN) AND (Y) A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") OR, SOLELY WITH RESPECT TO CERTAIN INITIAL PURCHASERS APPROVED BY THE ISSUER, AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT, TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER OF THIS NOTE IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (SUBJECT TO THE DELIVERY OF SUCH CERTIFICATES, LEGAL OPINIONS OR OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE, INCLUDING DELIVERY OF AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER COMPLIES WITH THE TRANSFER RESTRICTION SET FORTH IN THE INDENTURE), AND (B) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. NEITHER THE ISSUER NOR THE COLLATERAL HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFER AS PROVIDED IN THE INDENTURE.

NO TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) MAY BE MADE (AND NEITHER THE TRUSTEE NOR THE NOTE REGISTRAR WILL RECOGNIZE ANY SUCH TRANSFER) IF (A) SUCH TRANSFER WOULD BE MADE TO A TRANSFEREE WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR AN ACCREDITED "INSTITUTIONAL INVESTOR", (B) SUCH TRANSFER WOULD HAVE THE EFFECT OF REQUIRING EITHER THE ISSUER TO REGISTER OR THE COLLATERAL TO BECOME REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OR (C) SUCH TRANSFER WOULD BE MADE TO A PERSON THAT IS OTHERWISE UNABLE TO MAKE THE CERTIFICATIONS AND REPRESENTATIONS DEEMED TO BE MADE BY SUCH PERSON IN THE INDENTURE REFERRED TO HEREIN. ACCORDINGLY, AN INVESTOR IN THIS NOTE MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE ISSUER MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (X) EITHER A QUALIFIED INSTITUTIONAL BUYER OR, SOLELY WITH RESPECT TO CERTAIN INITIAL PURCHASERS APPROVED BY THE ISSUER, AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT AND (Y) A QUALIFIED PURCHASER AT THE TIME OF ACQUISITION OF THIS NOTE TO SELL THIS NOTE TO A PERSON WHO IS A QUALIFIED INSTITUTIONAL BUYER OR AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT AND A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A.

ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE PURCHASER OR TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY OF THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY.

IN ADDITION, NO TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) MAY BE MADE (AND NEITHER THE TRUSTEE NOR THE NOTE REGISTRAR WILL RECOGNIZE ANY SUCH TRANSFER) IF SUCH TRANSFER WOULD BE MADE TO A TRANSFEREE THAT IS (A) A DEALER DESCRIBED IN PARAGRAPH (A)(1)(ii) OF RULE 144A WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF ISSUER THAT ARE NOT AFFILIATED PERSONS OF THE DEALER OR (B) A PLAN REFERRED TO IN PARAGRAPH (a)(1)(I)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN. THE TRANSFEREE, AND EACH ACCOUNT FOR WHICH IT IS PURCHASING, IS REQUIRED TO HOLD AND TRANSFER AT LEAST THE MINIMUM DENOMINATIONS OF THE NOTES.

20. The Transferee acknowledges that the foregoing acknowledgements, representations and agreements will be relied upon by the Issuer and the Trustee for the purpose of determining its eligibility to purchase Notes of the Issuer. The Transferee agrees to provide, if requested, any additional information that may be required to substantiate its status as a Qualified Institutional Buyer or Qualified Purchaser, to determine compliance with ERISA and/or Section 4975 of the Code or to otherwise determine its eligibility to purchase Notes of the Issuer.

**Signatures:**

**PARTNERSHIP, CORPORATION, TRUST,**
**CUSTODIAL ACCOUNT OR OTHER ENTITY:**

_____

(Name of Entity)

By:_____
(Signature)

_____

(Print Name and Title)

Date:_____

**EXHIBIT E**

**FORM OF REGULATION S TRANSFER CERTIFICATE**

Private Equity Partnership Structures I, LLC 200 East Randolph Street
Chicago, IL 60601
Attention: Michael A. Conway

The Bank of New York
as Trustee
5 Penn Plaza, 13th Floor
New York, NY 10001
Attention: Corporate Trust Department,
Dealing and Trading Unit

Re: [Class A1 Senior Floating Rate Notes Due 2011]
[Class A2 Senior Floating Rate Notes Due 2011]
[Class B1 Subordinated Floating Rate Notes Due 2013]
[Class B2 Subordinated Floating Rate Notes Due 2013]

(the "Notes")

Reference is hereby made to the Indenture, dated as of December 31, 2001 (the "Indenture"), among Private Equity Partnership Structures I, LLC and The Bank of New York, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture. Other terms shall have the meanings given to them in Regulation S.

This letter relates to the transfer by _____ (the "Transferor") of U.S.$_____ principal amount of Notes held by the Transferor. The Transferor has requested that such beneficial interest in the Notes be transferred to _____ (the "Transferee"). Delivered herewith is a Transferee Certification completed by the Transferee.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Indenture and the Notes and pursuant to and in accordance with Regulation S under the Securities Act, and accordingly the Transferor does hereby certify that:

(1) the offer of the Notes was not made to a person who is a "U.S. person" (within the meaning of Regulation S) or a "U.S. resident" (within the meaning of the Investment Company Act);

(2) the offer of the Notes was not made to a person in the United States;

(3) either (x) at the time the buy order was originated, the Transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed 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 the Transferor

nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

(4) no directed selling efforts have been made in contravention of the requirements of Rule 904(a)(2) of Regulation S, as applicable; and

(5) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

This certificate and the statements contained herein are made for your benefit.

**[INSERT NAME OF TRANSFEROR]**

By:_____
Name:
Title:

Dated: _____,_____

**TRANSFEREE CERTIFICATE**

Private Equity Partnership Structures I, LLC 200 East Randolph Street
Chicago, IL 60601
Attention: Michael A. Conway

The Bank of New York
as Trustee
5 Penn Plaza, 13th Floor
New York, NY 10001
Attention: Corporate Trust Department,
Dealing and Trading Unit

The undersigned (the "Transferee") intends to purchase U.S.$_____ principal amount of Class [A1][A2][B1][B2] Notes (the "Notes") issued by Private Equity Partnership Structures I, LLC (the "Issuer") from the Transferor named in the Transfer Certificate to which this Transferee Certificate is attached. In connection with the registration of the transfer of such Notes, the Transferee hereby executes and delivers to each of you this "Transferee Certificate" in which the Transferee certifies to each of you the information set forth herein.

A General Information

1. Print Full Name of Transferee: _____

2. Address and Contact Person for Notices: _____
_____
_____

3. Telephone Number: _____

4. Telecopier Number: _____

5. Permanent Address (if different than above): _____

6. Account details regarding the account to which the Transferee's interest in the Notes should be credited: _____

B Status

1. The Transferee (i) is not a "U.S. person" (within the meaning of Regulation S ("Regulation S") under the Securities Act of 1933, as amended (the "Securities Act") (a "U.S. Person") and is acquiring such Notes in an offshore transaction in accordance with Rule 904 of Regulation S and is a Qualified Purchaser, (ii) is acquiring such Notes for its own account,
(iii) is not acquiring, and has not entered into any discussions regarding its acquisition of, such Notes while it is in the United States of America or any of its territories or possessions, (iv) understands that such Notes are being sold without registration under the Securities Act by reason of an exemption that depends, in part, on the accuracy of these representations, (v) understands that such Notes may not, absent an applicable exemption, be transferred without registration and/or qualification under the Securities Act and applicable state securities laws and the laws of any other applicable jurisdiction and (vi) understands that prior to the end of the Distribution Compliance Period, interests in a Regulation S Note may only be held through Euroclear or Cedelbank.
2. If required by the Indenture, the Transferee will, prior to any sale, pledge or other transfer by it of any Note (or any interest therein), obtain from the transferee and deliver to the Issuer and the Note Registrar a duly executed transferee certificate addressed to each of the Trustee and the Issuer in the form of the relevant exhibit attached to the Indenture, and such other certificates and other information as the Issuer or the Trustee may reasonably require to confirm that the proposed transfer substantially complies with the transfer restrictions contained in the Indenture.
3. The Transferee agrees that no Note (or any interest therein) may be sold, pledged or otherwise transferred in a denomination of less than the applicable minimum denomination set forth in the Indenture.
4. The Transferee understands that the Notes have not been registered under the Securities Act and, therefore, cannot be offered or sold in the United States or to U.S. Persons unless they are registered under the Securities Act or unless an exemption from registration is available. Accordingly, the certificates representing the Notes will bear a legend stating that the Notes have not been registered under the Securities Act and setting forth certain of the restrictions on transfer of the Notes. The Transferee understands that the Issuer has no obligation to register the Notes under the Securities Act or to comply with the requirements for any exemption from the registration requirements of the Securities Act (other than to supply information specified in Rule 144A(d)(4) of the Securities Act as required by the Indenture).
5. The Transferee is aware that no Notes (or any interest therein) may be offered or sold, pledged or otherwise transferred to (i) a transferee acquiring a Restricted Global Note except (a) to a transferee whom the Transferee reasonably believes is a Qualified Institutional Buyer, purchasing for its own account, to whom notice is given that the resale, pledge or other transfer is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A,
(b) to a transferee that is a "qualified purchaser" (as defined in the Investment Company Act), a "knowledgeable employee" with respect to the Issuer within the meaning of Rule 3c-5 under the Investment Company Act, or a company beneficially owned exclusively by one or more "qualified purchasers" and/or "knowledgeable employees" with respect to the Issuer (any of the foregoing, a "Qualified Purchaser"), (c) in compliance with the certification and other requirements set forth in the

Indenture and (d) in accordance with any applicable securities laws of any state of the United States and any other relevant jurisdiction or (ii) a transferee acquiring an interest in a Regulation S Global Note except (a) to a transferee that is acquiring such interest in an offshore transaction (within the meaning of Regulation S) in accordance with Rule 903 or 904 of Regulation S, (b) to a transferee that is not a U.S. Person (within the meaning of Regulation S) (a "U.S. Person") and is a Qualified Purchaser,
(c) in compliance with the other requirements set forth in the Indenture and (d) in accordance with any applicable securities laws of any state of the United States and any other relevant jurisdiction.
6. The Transferee understands that there is no market for the Notes and that no assurance can be given as to the liquidity of any trading market for the Notes and that it is unlikely that a trading market for the Notes will develop. Accordingly, the Transferee must be prepared to hold the Notes for an indefinite period of time or until their maturity.
7. Either (a) the Transferee is not, and is not a Person acting on behalf of or investing the assets of, (i) an employee benefit plan (within the meaning of Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA")that is subject to Title I of ERISA, (ii) a plan (within the meaning of Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (the "Code") that is subject to Section 4975 of the Code, (iii) a governmental plan (within the meaning of Section 3(32) of ERISA) or church plan (within the meaning of
Section 3(33) of ERISA) that is subject to any Federal, state or local law that is, to a material extent, similar to the provisions of Title I of ERISA or Section 4975 of the Code ("Similar Law") (each of the foregoing, a "Regulated Investor") or (b) the Transferee represents and warrants that it is a Regulated Investor and that its purchase and continued holding of the Notes will be covered by a prohibited transaction class exemption issued by the United States Department of Labor (or, in the case of a governmental or church plan, will not result in a violation of any Similar Law). In addition, if the Transferee is, or is acting on behalf of or investing the assets of, an employee benefit plan subject to Title I of ERISA or an employee benefit plan that is not subject to Title I ERISA but is subject to provisions of a Similar Law, the fiduciaries of such employee benefit plan represent and warrant that they have been informed of and understand the Issuer's investment objectives, policies and strategies and that the decision to invest such employee benefit plan's assets in notes was made with appropriate consideration of relevant investment factors with regard to such employee benefit plan, as the case may be, and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under Title I of ERISA or such Similar Law.
8. The Transferee is not a member of the public in the Cayman Islands.
9. The Transferee understands and agrees that a legend in substantially the following form will be placed on each Note: THIS NOTE AND ANY BENEFICIAL INTEREST IN THIS NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A)(1) TO A PERSON WHO IS BOTH (X) A QUALIFIED PURCHASER (AS DEFINED IN THE INDENTURE REFERRED TO HEREIN) AND (Y) A "QUALIFIED

**INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") OR, SOLELY WITH RESPECT TO CERTAIN INITIAL PURCHASERS**

APPROVED BY THE ISSUER, AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT, TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER OF THIS NOTE IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY EITHER RULE 144A OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (SUBJECT TO THE DELIVERY OF SUCH CERTIFICATES, LEGAL OPINIONS OR OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE, INCLUDING DELIVERY OF AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER COMPLIES WITH THE TRANSFER RESTRICTION SET FORTH IN THE INDENTURE) AND PROVIDED THAT THE TRANSFEREE IS A QUALIFIED PURCHASER, OR (2) TO A PERSON WHO IS NEITHER A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) AND IS A QUALIFIED PURCHASER, IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, (B) IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND (C) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. NEITHER THE ISSUER NOR THE COLLATERAL HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFER AS PROVIDED IN THE INDENTURE.

NO TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) MAY BE MADE (AND NEITHER THE TRUSTEE NOR THE NOTE REGISTRAR WILL RECOGNIZE ANY SUCH TRANSFER) IF (A) SUCH TRANSFER WOULD BE MADE TO A TRANSFEREE WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR A TRANSFEREE WHO IS NOT A U.S. PERSON AND IS A QUALIFIED PURCHASER, (B) SUCH TRANSFER WOULD HAVE THE EFFECT OF REQUIRING EITHER THE ISSUER TO REGISTER OR THE COLLATERAL TO BECOME REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OR (C) SUCH TRANSFER WOULD BE MADE TO A PERSON THAT IS OTHERWISE UNABLE TO MAKE THE CERTIFICATIONS AND REPRESENTATIONS DEEMED TO BE MADE BY SUCH PERSON IN THE INDENTURE REFERRED TO HEREIN. ACCORDINGLY, AN INVESTOR IN THIS NOTE MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE ISSUER MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN EITHER A QUALIFIED INSTITUTIONAL BUYER, SOLELY WITH RESPECT TO CERTAIN INITIAL PURCHASERS APPROVED BY THE ISSUER, OR AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT AND A

**QUALIFIED PURCHASER AT THE TIME OF ACQUISITION OF THIS NOTE TO SELL THIS**

**NOTE TO A PERSON WHO IS A QUALIFIED INSTITUTIONAL BUYER OR AN**
INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT AND A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR TO A PERSON THAT IS NOT A U.S. PERSON AND IS A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE PURCHASER OR TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY.

IN ADDITION, NO TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) MAY BE MADE (AND NEITHER THE TRUSTEE NOR THE NOTE REGISTRAR WILL RECOGNIZE ANY SUCH TRANSFER) IF SUCH TRANSFER WOULD BE MADE TO A TRANSFEREE THAT IS (A) A DEALER DESCRIBED IN PARAGRAPH (A)(1)(ii) OF RULE 144A WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF ISSUER THAT ARE NOT AFFILIATED PERSONS OF THE DEALER OR (B) A PLAN REFERRED TO IN PARAGRAPH (a)(1)(I)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN. THE TRANSFEREE, AND EACH ACCOUNT FOR WHICH IT IS PURCHASING, IS REQUIRED TO HOLD AND TRANSFER AT LEAST THE MINIMUM DENOMINATIONS OF THE NOTES.

10. The Transferee acknowledges that the foregoing acknowledgements, representations and agreements will be relied upon by the Issuer and the Trustee for the purpose of determining its eligibility to purchase Notes of the Issuer. The Transferee agrees to provide, if requested, any additional information that may be required to substantiate its status as a Qualified Institutional Buyer, non-U.S. Person or Qualified Purchaser, to determine compliance with ERISA and/or Section 4975 of the Code or to otherwise determine its eligibility to purchase Notes of the Issuer.

**Signatures:**

**PARTNERSHIP, CORPORATION, TRUST,**
**CUSTODIAL ACCOUNT OR OTHER ENTITY:**

_____

(Name of Entity)

By: _____

(Signature)

_____

(Print Name and Title)

**INDIVIDUAL:**

By: _____

(Signature)

_____

(Print Name and Title)

Date:_____

**EXHIBIT J**

**PEPS I, LLC**
Diversification Report
For Quarter Ended March 31, 2002

All measurements are based on aggregate Net Asset Values as reflected in the most recent report for the General Partners.

1. Industry Concentrations

| Sector | 3/31/02 |
|---|---|
| Commercial Services & Supplies | |
| Consumer Cyclical | |
| Consumer Noncyclical | |
| Energy | |
| Financial Services | |
| Health Care | |
| Industrial | |
| Materials | |
| Real Estate | |
| Technology | |
| Transportation | |
| Utilities | |

2. Top 3 Industry Concentrations - not to exceed 75% through years 1-5 and 6-10.

| Sector | 3/31/02 |
|---|---|

**Comments Versus 75% Benchmark:**

3. Top 3 LP Concentrations - not to exceed 40% for years 1-5 and not to exceed 60% for years 6-10.

| LP | 3/31/02 |
|---|---|

**Comments Versus Benchmark:**

4. Top 3 GP Concentrations -- not to exceed 60% for years 1-5 and not to exceed 80% for years 6-10.

| GP | 3/31/02 |
| --- | --- |

**Comments Versus Benchmark:**

5. Vintage Concentrations

**Vintage 3/31/02**

EXHIBIT 12(A)

AON CORPORATION AND CONSOLIDATED SUBSIDIARIES
COMBINED WITH UNCONSOLIDATED SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

| (millions except ratios) | YEARS ENDED DECEMBER 31, 2001 | 2000 | 1999 | 1998 | 1997 |
|---|---|---|---|---|---|
| Income before provision for income taxes and minority interest (1) | $ 399 | $ 854 | $ 635 | $ 931 | $ 542 |
| ADD BACK FIXED CHARGES: | | | | | |
| Interest on indebtedness | 127 | 140 | 105 | 87 | 70 |
| Interest on ESOP | - | - | 1 | 2 | 3 |
| Portion of rents representative of interest factor | 57 | 54 | 49 | 51 | 44 |
| INCOME AS ADJUSTED | $ 583 | $ 1,048 | $ 790 | $ 1,071 | $ 659 |
| FIXED CHARGES: | | | | | |
| Interest on indebtedness | $ 127 | $ 140 | $ 105 | $ 87 | $ 70 |
| Interest on ESOP | - | - | 1 | 2 | 3 |
| Portion of rents representative of interest factor | 57 | 54 | 49 | 51 | 44 |
| TOTAL FIXED CHARGES | $ 184 | $ 194 | $ 155 | $ 140 | $ 117 |
| RATIO OF EARNINGS TO FIXED CHARGES | 3.2 | 5.4 | 5.1 | 7.6 | 5.6 |

(1) Income before provision for income taxes and minority interest includes unusual charges of $68 million related to the World Trade Center attacks and special charges of $218 million for the year ended December 31, 2001. Income before provision for income taxes and minority interest includes special charges of $82 million, $313 million, and $172 million for the years ended December 31, 2000, 1999, and 1997, respectively.

EXHIBIT 12(B)

AON CORPORATION AND CONSOLIDATED SUBSIDIARIES
COMBINED WITH UNCONSOLIDATED SUBSIDIARIES
Computation of Ratio of Earnings to Combined Fixed Charges
and Preferred Stock Dividends

| (millions except ratios) | YEARS ENDED DECEMBER 31, 2001 | 2000 | 1999 | 1998 | 1997 |
|---|---|---|---|---|---|
| Income before provision for income taxes and minority interest (1) | $ 399 | $ 854 | $ 635 | $ 931 | $ 542 |
| ADD BACK FIXED CHARGES: | | | | | |
| Interest on indebtedness | 127 | 140 | 105 | 87 | 70 |
| Interest on ESOP | - | - | 1 | 2 | 3 |
| Portion of rents representative of interest factor | 57 | 54 | 49 | 51 | 44 |
| INCOME AS ADJUSTED | $ 583 | $ 1,048 | $ 790 | $ 1,071 | $ 659 |
| FIXED CHARGES AND PREFERRED STOCK DIVIDENDS: | | | | | |
| Interest on indebtedness | $ 127 | $ 140 | $ 105 | $ 87 | $ 70 |
| Preferred stock dividends | 70 | 70 | 70 | 70 | 82 |
| INTEREST AND DIVIDENDS | 197 | 210 | 175 | 157 | 152 |
| Interest on ESOP | - | - | 1 | 2 | 3 |
| Portion of rents representative of interest factor | 57 | 54 | 49 | 51 | 44 |
| TOTAL FIXED CHARGES AND PREFERRED STOCK DIVIDENDS | $ 254 | $ 264 | $ 225 | $ 210 | $ 199 |
| RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS (2) | 2.3 | 4.0 | 3.5 | 5.1 | 3.3 |

(1) Income before provision for income taxes and minority interest includes unusual charges of $68 million related to the World Trade Center attacks and special charges of $218 million for the year ended December 31, 2001. Income before provision for income taxes and minority interest includes special charges of $82 million, $313 million, and $172 million for the years ended December 31, 2000, 1999, and 1997, respectively.

(2) Included in total fixed charges and preferred stock dividends are $66 million for the years ended December 31, 2001, 2000, 1999 and 1998 and $64 million for the year ended December 31, 1997, of pretax distributions on the 8.205% mandatorily redeemable preferred capital securities which are classified as "minority interest" on the consolidated statements of income.

**A O N H A S B U I L T**

broad global resources to create innovative solutions in insurance and risk management, human capital management and insurance underwriting. The focus and dedication of our professionals have made us a leader within our industry. Aon is prepared for the difficult challenges our clients face.

**Aon Corporation Annual Report 2001**

## Aon Remembers

We mourn the tragic loss of 175 Aon colleagues who perished on September 11 along with clients, insurance partners, and thousands more who spent their final moments with our friends. The suffering that we have endured has brought with it profound sadness and pain.

As we remember the beloved members of the Aon family, we know that they were first a husband or wife, brother or sister, son or daughter, mom or dad, and certainly, a friend. We cry for our loved ones whose memories we treasure and whose presence we deeply miss. We also remember the courage and bravery of so many, which speaks to the extraordinary strength of the human spirit. It gives us hope that we will persevere.

Aon is an ancient Celtic word meaning "coming together". The name now has a greater meaning for all of us. May we continue to come together to lift each other up and to share the burden of suffering and sorrow. And may we continue to celebrate the lives we remember here.

Patrick G. Ryan, Chairman and CEO, Aon Corporation Remembrance Service at the Cathedral of Saint Patrick New York City, September 24, 2001

**TO OUR STOCKHOLDERS**

We were all victims of the attack on September 11. For Aon, the impact was immediate and painful. We lost 175 of our colleagues. We also lost clients, business associates and friends who spent their last moments with co-workers.

Given the magnitude of the destruction, we are eternally thankful that so many of our employees managed to escape. Yet we know many continue to cope with physical and emotional injuries from the tragedy. All of them have a constant place in our thoughts, and we continue to pray for them and their families.

We also remember countless heroes, many of whom died helping others. Firefighters. Police. Emergency medical technicians. We recall the images of their bravery every time we hear a siren or see a flashing light.

Our employees were also heroes. Some guided colleagues and strangers to safety, only to return to help more escape. Others gave up their places in crowded elevators during the evacuation, never to be seen again. We honor them for their courage and their ultimate sacrifice. Their acts of bravery in response to unimaginable terror gave us strength when we needed it most. There could be no greater, more immediate, more visible acts, to show the world that goodness and virtue will prevail.

It is hard to move on, but we have with their inspiration and the help of many friends. There are no words to describe the support Aon received from around the world. It is also difficult to articulate fully the passionate response from our employees. They rallied together and worked tirelessly to help co-workers and clients affected by the attacks. In the face of a challenge that had no precedent, they performed magnificently. We admire them for their dedication to each other, and to our clients who needed them most when tragedy struck.

I extend my thanks and gratitude to our business partners. They not only helped us rebuild, but also donated funds to our employees' families.

[PICTURE OMITTED OF Patrick G. Ryan Chairman and Chief Executive Officer]

The Aon Memorial Education Fund has received more than 4,000 donations, many from people who first heard of Aon on September 11. We cherish their compassion. We will never forget their generosity.

It has been said: "That which hurts, also instructs." There were many hard lessons on September 11 and in its aftermath. We learned about our vulnerability. We learned about the depth of compassion and the power of strength. We also learned about uncertainty. It was a stark reminder that we all need to be prepared, as best we can, so that we can pick ourselves up and continue on in honor of those who cannot.

**Aon'S MISSION IS TO PREPARE CLIENTS-**

**AND TO HELP THEM WHEN THEY NEED IT MOST**

Aon's purpose as an organization is to help clients prepare for times of loss, and wherever possible, to prevent it. We have built broad and deep capabilities:
insurance and risk management, human capital consulting and specialty insurance products. Our professionals include safety and loss control engineers, workers' compensation specialists, brokers who design insurance protection, consultants who arrange medical plans, and agents who offer accident and health insurance. We have constructed a company that brings these capabilities together and delivers them to clients-virtually anywhere in the world.

Nothing could have prepared us for September 11. But we accept that truth as further evidence that we must continue to build an organization that can best prepare our clients and Aon for the uncertainties of tomorrow. The path of progress is seldom an unbroken line of success. Along with gains, we have had setbacks. But we are convinced that the goal is worth the struggle and that the result will be well worth the effort.

**SUMMARY OF 2001 CONSOLIDATED FINANCIAL RESULTS**

Aon's consolidated financial results for 2001 did not meet the goals we set for ourselves at the beginning of the year. The Company earned $1.37 per share in 2001, before unusual charges related to September 11 and special charges. This represents a decrease from comparable 2000 earnings of $2.01 per share.

The single largest factor was a $242 million, or $0.54 per share, decline in non-operating Corporate and Other segment revenues. The non-operating investment loss of $171 million in 2001, down from a positive $71 million in 2000, resulted from sharp valuation declines of equity investments and impairment write-downs, due largely to unfavorable equity markets.

The Company took a major step at the end of 2001 to reduce the variability of non-operating investment income. Aon securitized almost all of its equity limited partnership interests, selling them for a combination of cash and securities. Going forward, we expect to have less variable results from investments.

A second major factor influencing the earnings per share comparisons was underperformance in Aon's U.S. retail brokerage business related to the implementation of the business transformation plan. I will describe these issues later in this letter, along with steps we have taken to improve results.

Let me underscore that most of Aon's major business groups performed well during 2001 and we expect continued good performance from them in 2002. Below I will review the positive developments within each of Aon's major business units.

**BUILDING NEEDED PRODUCTS AND SERVICES:**

**BROKERAGE AND CONSULTING**

Aon recognized many years ago that our clients want products and services built around their unique needs, provided by professionals with deep expertise

in their industries and local markets. We saw that globalization demanded two capabilities: gather the best thinking from around the world and then deliver solutions locally. We realized that if we could differentiate in this way, we would deliver greater value to clients.

Step-by-step, we have built a professional services company with worldwide distribution, a vast base of intellectual capital and leading technology - all focused on areas increasingly in demand: insurance brokerage, risk management and human capital consulting.

Our core insurance brokerage businesses - retail, reinsurance and wholesale
- are augmented by a wide range of insurance services - claims and loss cost management, safety engineering, captive insurance company management, underwriting management, actuarial services, premium finance and affinity insurance programs. Aon is a leading provider of these services and our strengths and capabilities are more fully described on the following pages.

In 2001, Aon grew Insurance Brokerage and Other Services segment revenues by seven percent to $4.7 billion. Our international, reinsurance and wholesale brokerage businesses all produced strong results. Claims and captive management services showed healthy revenue growth, as did our managing underwriting group. Our capital markets experts managed the capital raising for Endurance Specialty Insurance Ltd., a new Bermuda-based insurer. Aon co-sponsored this company to support client demand for more underwriting capacity. Overall, the breadth of our services is a competitive advantage and clients are benefiting from a wider selection of risk management solutions.

Acquisitions in 2001 complemented our existing strengths. We purchased Schirmer Engineering Corporation, a leader in fire protection, loss control and security consulting, to meet growing demand for that expertise. We broadened our alternative risk transfer capabilities with the purchase of International Risk Management Group, Sinser Holding A.B. and Nordic Mutual AG - all specialists in captive insurance company management. Aon is recognized as the global leader in this field.

To enhance the delivery of services to our independent agent and broker clients, we brought our leading wholesale brokerage operations together under one, well-recognized brand name - Swett & Crawford. By doing so, we make a broad selection of products readily accessible, while strengthening one of the industry's most powerful brands. Expanding on this idea, we introduced the Aon Specialty Product Network (ASPN), which offers independent agent and broker clients easy access to wholesale markets, claims services and premium finance.

In our Consulting segment, we had a terrific year. Revenues grew 22% to a record $938 million from $770 million in 2000. Pretax income increased 22% to $133 million before special and unusual charges. Solid organic revenue growth, good expense management and recent acquisitions drove results. In May 2001, we acquired ASI Solutions Incorporated, experts in human resources outsourcing and compensation consulting. The addition broadens our outsourcing competency - an area with sizeable growth opportunities. Clients who choose Aon to manage their human resource functions benefit from our experience, expertise and the scalability of our systems.

Late in 2001, we announced the launch of a new practice - Aon Management Consulting. We brought together various management consulting groups under this new practice including the Rath & Strong Six Sigma suite of management services, a process improvement system that drives performance gains throughout organizations. Coalition

Purchasing Group was acquired to help clients combine their purchasing power to improve their employee benefit programs.

These investments throughout 2001 are part of a process of growth and service expansion that has been developing for more than a decade - each step adding to our capabilities and reach. Today, Aon Consulting's practices cover employee benefits, compensation, management consulting, outsourcing and communication. Our competitive advantage is our holistic view of work force productivity and ability to align these disciplines with client objectives.

**SPINNING OFF UNDERWRITING**

Our commitment to service and growth led us to another important decision in 2001. Aon announced plans to spin off all insurance underwriting operations into a new company, Combined Specialty Corporation. We believe that separating our brokerage and consulting businesses from underwriting will enhance the growth prospects for each. We expect the spin-off to be completed during spring of this year subject to a favorable tax ruling from the Internal Revenue Service, regulatory approvals and final Board approval.

In early 2002, Aon named Dennis B. Reding Chairman and CEO of Combined Specialty Corporation. He will work with Richard Ravin, the leader of our supplemental accident and health business, and David Cole, who heads our extended warranty business.

Combined Specialty will emerge as an independent public company with annual premiums exceeding $2 billion, a strong heritage, a solid track record and great distribution - in short, all of the building blocks for success. It will add new products and expand marketing channels, free from potential or perceived conflicts that could arise from being directly associated with Aon's property and casualty insurance brokerage business.

In 2001, our specialty underwriting businesses produced solid results. Underwriting segment revenues grew four percent to $2.25 billion and pretax income improved to $309 million before special and unusual charges.

During 2001, we acquired First Extended, Inc., specialists in automobile extended warranties, to expand our leading position in this area. As noted earlier, our underwriting businesses invested in Endurance Specialty and Combined Specialty will now be an investor in this new venture.

The spin-off is the next logical step in our evolution. The major phase of consolidation in the global insurance brokerage industry is over and our brokerage and consulting businesses can fund their growth as an independent company, as can Combined Specialty. We are moving into a new era - making our businesses even more productive and efficient. Separating brokerage and consulting from underwriting will add momentum. The bottom line for both: more flexibility, sharper focus, and greater opportunity for growth. We plan to conduct capital raising that will support the new property and casualty insurance initiatives while also strengthening our capital position.

**BUSINESS TRANSFORMATION**

The goal of our business transformation, started in late 2000, was to make Aon a stronger organization by enhancing client service, accelerating organic revenue growth and reducing costs. Outside of U.S. retail brokerage, our business transformation plan has worked well and we are seeing improved productivity.

In U.S. retail brokerage, the transformation included an extensive redesign of processes and job roles, and the creation of four new service centers

to supplement our regional office network. These service centers streamline routine transactions that require fast turnaround and accuracy, but not face-to- face interaction with the client. The task of converting files to the service centers was delayed in third quarter 2001 because of challenges handling increased transaction volume. The delay added transition costs and reduced anticipated savings. The imperative to maintain high quality service levels through the transition required us to run duplicate processes as the conversion progressed, and this necessary focus on current clients reduced the production of new business.

The loss of the World Trade Center, the site of our largest retail brokerage office in the world, exacerbated our implementation delays. Our Trade Center office was a critical hub that supported our worldwide operations with highly talented employees. It also housed our largest and most advanced service center.

We have launched a concerted effort to convert client servicing for U.S. retail brokerage clients by the end of second quarter 2002. While we are confident we will meet this timetable, the intensity of the effort will mean additional costs. Total expenses for the business transformation plan through the end of 2001, inclusive of special charges and transition costs, were $330 million.

We believe that we will save approximately $150 million in expenses in 2002 related to actions already taken. These savings will be partially offset by compensation increases required to retain certain employees and increased costs related to hiring employees with specialist skills into newly created positions.

Given the importance of our U.S. retail brokerage business, Michael O'Halleran, Aon's President and COO, now directly manages this operation full-time. His leadership skills, business development expertise, and broad knowledge of the insurance markets are instrumental in helping us to attain the strong results I know we are capable of producing. Mike has completed modifications to the original transformation model, including the sales and relationship management roles. He has also made changes in the senior management of U.S. retail brokerage and I am confident that we will see improved results.

Franklin A. Cole, Donald S. Perkins, Fred L. Turner and Arnold R. Weber will be leaving Aon Corporation's Board of Directors in April 2002. Their many years of service and their astute guidance are deeply appreciated.

Looking back, 2001 was a year of sorrow for everyone at Aon. We will never forget the colleagues and friends who were taken from us, or the families who cherish their memories.

The incredible strength and resiliency of our employees provides new inspiration every day. The importance of the services we provide has never been clearer and we take pride in creating solutions and delivering them to our clients. We will continue to build a stronger and better Aon for our clients, our employees and our stockholders.

Sincerely,

Patrick G. Ryan
Chairman and Chief Executive Officer

**THE NEW Aon**

Aon'S CURRENT INSURANCE BROKERAGE AND CONSULTING BUSINESSES WILL BECOME THE "NEW" Aon after the spin-off of our insurance underwriting group. Our insurance brokerage and consulting professionals serve similar client franchises with a common business approach.

Aon has built worldwide resources to address two of the most challenging questions faced by organizations today. How to:

* Construct an effective insurance and risk management program and

* Improve the productivity of people.

Aon is dedicated to building solutions in these areas for two reasons:
client demand continues to grow and our professionals are extremely well-positioned to address the increasing challenges.

Insurance and risk management is now widely viewed as a critical boardroom issue. It is the cornerstone of every company's capital structure. A poorly constructed program may leave an organization vulnerable to major long-term setbacks, or worse, insolvency and bankruptcy. When well-designed, an insurance and risk management program frees a company to pursue its vision - unhindered by concerns that it may need to hoard precious financial capital or maintain unusually high levels of liquidity. It can become a competitive advantage.

Employee productivity is another critical issue faced by companies. Today's major economies are primarily service-based, and for most companies, employees' total compensation is among their biggest investments. In this environment, work force productivity becomes a critical, differentiating factor that can make a company a winner, versus an "also ran".

**SHARED STRATEGIES SERVE SIMILAR CLIENTS**

Aon's insurance brokerage and consulting businesses benefit from practicing a common strategic approach - offering professional advice, fulfillment and outsourcing solutions. They serve similar client bases: large multi-nationals, mid-market companies and small firms. And they leverage a global distribution network spanning 120 countries.

Both businesses recognize the unique needs of different client groups and our professionals specialize by product, function and client industry - all coordinated by strategic account managers, or relationship managers, who factor in a holistic view of the client's needs.

Please read on to learn more about our insurance brokerage and consulting businesses, and visit us frequently at WWW.AON.COM to keep abreast of new ideas that will work for you.

**[GRAPHIC OF BROKERAGE * CONSULTING OMITTED]**

**ADVICE * FULFILLMENT * OUTSOURCING**

Clients expect professional attention from specialists who know their business and their industry. Aon delivers. With industry knowledge. And product expertise. It's why clients choose Aon. Advice, fulfillment and outsourcing solutions from insurance brokers and human capital consultants focused on serving individual client needs.

## INSURANCE BROKERAGE AND RISK MANAGEMENT SERVICES

SEPTEMBER 11 JOLTED THE ENTIRE BUSINESS WORLD and the repercussions are being felt by companies thousands of miles from Ground Zero. Some industries were hurt more than others, but none was untouched by the harsh realities of the attack. One reality has received renewed attention: insurance and risk management is a crucial thread in the fabric of our global economy. Today, it's front-page news. Aon has been focusing on it for decades.

Aon has been steadily building resources to help clients prepare for the worst crises that they will ever face, the unimaginable. No company can prepare for a tragedy such as September 11. But in times of disaster, a comprehensive risk management plan and well-designed insurance program can help a company to quickly support employees, rebuild workplaces and reestablish operations. This is what Aon's dedicated professionals do - each day, every day.

While terrorism is receiving widespread media coverage, there are major trends that have steadily raised the level and complexity of risks encountered by clients. They include globalization, privatization, litigiousness, e-commerce, growing interdependence between manufacturers and suppliers, and many others.

Given our foresight into the ramifications of these trends, Aon has built sophisticated solutions to help clients deal with the inherent risks. Insurance, reinsurance, captives, alternative risk transfer programs and other risk services have all become "capital management" solutions that support business continuity - even in the worst times. Aon has also been building resources to address another major trend: outsourcing. Clients increasingly want outside experts to perform non-core functions to reduce costs and improve quality. Aon is prepared to help clients do just that.

### LEADING BROKERAGE BUSINESSES-<br>WORKING TOGETHER FOR CLIENTS

Aon's focused building has made us a leader in our industry. In fact, Aon has vast experience and expertise in every facet of the property and casualty insurance brokerage and risk management services industry. Our businesses complement each other; they "fit together" to provide integrated solutions:
advice, fulfillment and outsourcing.

**Aon IS THE:**
#1 Global reinsurance broker
#1 Global manager of captive insurance companies #1 U.S. multiline claims services provider #1 U.S. wholesale broker and underwriting manager #2 Global insurance broker

A key advantage for Aon is our broad view of the insurance industry. It allows us to anticipate how changes in one sector can impact another, empowering us to integrate our services while leveraging our expertise and global distribution.

**[GRAPHIC OF ADVICE * FULFILLMENT * OUTSOURCING OMITTED]**

## INSURANCE BROKERAGE AND RISK MANAGEMENT SERVICES

Aon's insurance professionals specialize in retail, reinsurance and wholesale brokerage. Their expertise covers a wide range of specialties, such as captive insurance company management, claims and loss cost control, underwriting management, premium finance, safety engineering and direct marketing to affinity groups.

Our client franchise is extensive and includes:

* multi-national corporations, middle-market companies and small commercial clients served by our retail brokers,
* insurance and reinsurance companies served by our reinsurance brokers, managing general underwriters and claims professionals, and
* independent agents and brokers seeking premium funding alternatives, claims services and access to specialty products in markets served by our wholesale brokers and underwriting managers.

Our RETAIL brokers' broad spectrum of advisory and outsourcing services includes risk identification and assessment, alternative risk financing, safety engineering, loss management and program administration for clients. Our professionals design, place and implement customized insurance solutions. While we bring broad capabilities to all client industries, Aon has developed specialties in directors' and officers' liability, professional liability, entertainment, public entities, workers' compensation, media, financial institutions, marine, aviation, construction, healthcare and energy.

Our REINSURANCE professionals offer insurance and reinsurance companies sophisticated advisory services that enhance the risk/return characteristics of insurance policy portfolios and improve capital utilization. They also offer extensive experience in statistical claims analysis and evaluation of catastrophic loss exposures. Now, more than ever, insurers and reinsurers require innovative solutions to the increasing challenges they face. By responding to the demands of these capital providers, Aon's reinsurance team helps create downstream solutions for retail and wholesale insurance clients.

Aon's WHOLESALE insurance brokers, under the SWETT & CRAWFORD brand, serve thousands of independent agents and brokers who seek insurance protection for their customers. Aon's wholesale brokers have unparalleled access to wide-ranging property and casualty markets to obtain insurance that meets the needs of these independent agent and broker clients. Aon's wholesale expertise and full service capabilities allow us to efficiently deliver products and services to independent agents and brokers in virtually every market segment.

Our MANAGING GENERAL UNDERWRITERS provide insurance companies the opportunity to participate in niche markets without incurring significant startup costs. Under these programs, insurance companies earn premiums and accept claims obligations, but they outsource many underwriting functions to Aon. This often includes policy design, issuance and administration; premium rating and collection; and

claims administration. Insurance company clients benefit from working with Aon professionals who are specialists in particular insurance lines.

Aon's wholesale brokers and managing general underwriters offer more than 450 insurance products and programs. Clients may access them directly, or through the Aon SPECIALTY PRODUCT NETWORK (ASPN) at WWW.ASKASPN.COM, developed by Aon as a single-point-of-contact for our agent and broker clients that require specialty insurance solutions for their customers.

Insurance companies, firms with self-insurance programs, and agents and brokers that outsource claims functions choose Aon's CLAIMS AND LOSS COST MANAGEMENT professionals for their expertise and breadth of services. Aon markets these services primarily through the CAMBRIDGE INTEGRATED SERVICES GROUP. Our mission is more than claims administration. Our clients, with unique asset bases and capital management disciplines, look to our professionals for strategic loss cost management because Aon keeps clients' objectives clearly in focus. Our expertise spans property and casualty, health and disability, absence management, personal lines, professional and complex liability, transportation, unemployment compensation, structured settlements and other specialty areas.

Our CAPTIVE INSURANCE COMPANY MANAGEMENT professionals specialize in the innovative design of programs that enable clients to manage risks that would be cost-prohibitive, or worse, unavailable, in traditional insurance markets. As premium rates have risen, commercial enterprises have turned to Aon's captive management professionals even more frequently for solutions.

[PICTURE OF Michael D. O'Halleran President & Chief Operating Officer]

Our PREMIUM FINANCE professionals, under the CANANWILL brand, offer financing options that are marketed through retail and wholesale insurance brokers and insurance companies. In 2001, Aon arranged financing for commercial insurance premiums exceeding $3.5 billion for clients ranging from small firms to the Fortune 500.

Aon also offers insurance products marketed to AFFINITY GROUPS - individuals, associations or businesses within a similar risk class who are better served as "one", instead of "many". By forming a group, they have access to insurance program options and advantages not otherwise available. Aon offers professional liability, life, disability income, and personal lines insurance products to nurses, accountants, healthcare providers and other affinity groups.

Overall, what have our clients concluded? Aon has broad capabilities, extensive reach and deep talent - all working together to serve individual client needs.

## HUMAN CAPITAL CONSULTING

HOW CAN WE INCREASE REVENUES AND PROFITS? This is a common question asked by executives - every day - around the world. The answer often lies in finding ways to improve work force productivity. Aon has built a global consulting business dedicated to helping clients achieve this critical objective.

Like other insurance brokers, Aon started its human resource consulting practice years ago by focusing on employee benefits. We offered employers brokerage and consulting services for their life, accident, health and retirement plans. Back then, employers had mostly stable work forces with common demographics. But times have changed. Today, employees are more mobile and diverse - switching companies, industries and even career paths to leverage their skills.

Employers' needs are now more complicated. Companies must find advanced ways to attract and retain workers with the right skill levels and commitment. Aon has responded by building broad expertise to address the fundamental question: "How to improve work force productivity in a more challenging environment?"

Our consultants start by fully understanding a client's business strategies. With our highly experienced specialists, we then develop custom "people strategies" to support their goals. We serve three major client segments - large corporations, middle market companies and small firms - with distinct products and services.

### FIVE MAJOR PRACTICES

Our consulting business has five major practices: employee benefits, compensation, management consulting, outsourcing and communication.

Our EMPLOYEE BENEFITS experts construct and implement benefit packages including health and welfare plans, pension, 401k and other retirement plans designed to attract and retain the right employees. In addition, we offer advice regarding investment manager selection and we work with clients' professional advisors concerning tax and ERISA issues.

Our employee benefits practice also conducts proprietary research on employee commitment and loyalty that complements our other services. By understanding worker motivation, our professionals can tailor cost-effective programs that better suit clients and their employees. Our expertise also spans absence management, mergers and acquisitions due diligence, and elective benefit options purchased directly by employees.

Our COMPENSATION practice designs salary, bonus, commission, stock option and other pay structures. The objective: motivate executives, salespeople and employees to achieve specific performance targets. Two areas of particular strength and brand recognition are the financial and technology industries where we conduct proprietary compensation surveys, including the widely followed MCLAGAN survey for financial professionals and the RADFORD survey in the technology field.

MANAGEMENT CONSULTING assists clients in process improvement and design, leadership, organization, and human capital development. Late in 2001, we announced the launch of Aon's management consulting practice that includes our RATH & STRONG SIX SIGMA suite of management services: proven process improvement methods that drive performance gains throughout organizations. Our services in leadership and human capital development range

**[GRAPHIC BOX OF ADVICE * FULFILLMENT * OUTSOURCING OMITTED]**

from the assessment and selection of employees to executive development programs.

Our OUTSOURCING practice offers employment processing, performance improvement, benefits administration and enrollment, and other employment services. We expect demand for Aon's outsourcing services to grow as clients learn more about how we can reduce their expenses while improving quality. Aon's advantage: we combine a strategic, holistic view of work force dynamics with practical outsourcing solutions. In fact, we believe more companies will seek integrated outsourcing services - from recruitment to retirement.

Aon's COMMUNICATION consultants help companies to develop messages that support their corporate vision. Our services span communication strategy development to campaign execution using a broad array of media. Topics cover business process and culture change to human resource operations. Our award-winning work boosts employee attraction and retention, promotes productivity and improves financial results.

Aon's consulting business has evolved to meet the growing needs of our clients. We now have comprehensive resources to assist clients in virtually every facet of human capital management.

## INSURANCE UNDERWRITING

Aon ANNOUNCED A MAJOR STRATEGIC DECISION IN 2001. All insurance underwriting businesses are to be spun off under a new company - Combined Specialty Corporation - in spring 2002.

The rationale is straightforward: Combined Specialty can grow faster by expanding into new property and casualty insurance lines - beyond its market-leading accident and health insurance and extended warranty products. By spinning off, Combined Specialty can develop new relationships with multiple property and casualty insurance brokers that will present new marketing and distribution channels around the world.

The decision was timely.

Aon is at an important juncture. In the past, our brokerage and consulting businesses made acquisitions with funding from our underwriting business. Now, our brokerage and consulting businesses can fund their combined growth opportunities as a separate company, apart from underwriting. This allows Combined Specialty to redirect its profits into high-demand products like commercial property and casualty insurance.

Our industry is also at a crucial stage. When we originally announced plans to spin off our underwriting operations, the insurance markets were beginning to see the first broad-based increase in premium rates in more than a decade. September 11 magnified this shift in a dramatic way. Today, we are witnessing an unprecedented escalation of premium rates and restrictive underwriting.

The spin-off of Combined Specialty allows us to assist clients in two ways. First, our insurance brokers are already hard at work finding the best insurance solutions for our clients. Second, the expansion of our underwriting business into property and casualty lines, facilitated by the spin-off, also allows us to offer new, reliable insurance capacity at a time when clients need it most.

Aon named prominent industry executive Dennis B. Reding, Chairman and CEO of Combined Specialty Corporation, to drive these underwriting initiatives and lead this "new" company.

### UNDERWRITING BUSINESSES

Our insurance underwriting businesses offer supplemental accident and health insurance and extended warranty products. In addition, we recently launched new initiatives to actively underwrite commercial property and casualty insurance policies.

Within our supplemental accident and health insurance businesses, we provide an array of accident, sickness, short-term disability and other supplemental insurance products. We market primarily through our sales force of 7,000 career agents, plus select brokers and consultants that reach niche markets. These relationships - that include direct response programs, affinity groups and worksite marketing - provide us access to new policyholders.

Aon is the world's largest independent provider of EXTENDED WARRANTY PRODUCTS. We offer warranties covering automobiles and a variety of consumer goods, including electronics and household appliances. We also provide non-structural home warranties and specialty products, such as credit card enhancements and affinity warranty programs. We offer these warranties through more than 4,000 retail

**[GRAPHIC BOX SHOWING VARIOUS INSURANCE TYPES OMITTED]**

automobile dealers, as well as leading consumer goods manufacturers, distributors and retailers. By purchasing warranties, consumers feel more at ease about major purchases . And, our retailer clients benefit by offering this protection to their customers while generating another source of revenue.

The newest group within Combined Specialty is SPECIALTY PROPERTY AND CASUALTY INSURANCE UNDERWRITING. This group, using a disciplined approach, will expand capabilities into specialty segments of the insurance market that have significant profit potential. The initial focus will be on the excess and surplus specialty market - offering specialty, primary and excess casualty products distributed through wholesale brokers. Other specialty segments will include inland marine, excess liability, directors' and officers' liability and errors and omissions insurance, using multiple distribution sources.

Once these core products and services are established, we expect to expand into others that offer solid long-term profit opportunities by addressing client needs.

Please visit us at WWW.COMBINED.COM to learn more about our specialty insurance products.

**Financial Table of Contents**

17 Financial Highlights

18 Management's Discussion and Analysis of Financial Condition and Results of Operations

32 Consolidated Statements of Financial Position

34 Consolidated Statements of Income

35 Consolidated Statements of Cash Flows

36 Consolidated Statements of Stockholders' Equity

37 Notes to Consolidated Financial Statements

60 Reports by Independent Auditors and Management

61 Selected Financial Data

62 Quarterly Financial Data

## FINANCIAL HIGHLIGHTS

| (millions except per share data) | 2001 | 2000 | Percent Change |
|---|---|---|---|
| INCOME DATA | | | |
| Revenue | $ 7,676 | $ 7,375 | 4% |
| Investment income | 213 | 508 | (58) |
| EBITDA* | 1,151 | 1,409 | (18) |
| Income before unusual and special charges and accounting change** | 377 | 531 | (29) |
| Unusual charges-World Trade Center** | (41) | -- | -- |
| Special charges** | (133) | (50) | -- |
| Cumulative effect of change in accounting principle** | -- | (7) | -- |
| Net income | 203 | 474 | (57) |
| FINANCIAL POSITION | | | |
| Total assets | 22,386 | 22,251 | 1 |
| Stockholders' equity | 3,521 | 3,388 | 4 |
| DILUTIVE PER SHARE DATA | | | |
| Income before unusual and special charges and accounting change | 1.37 | 2.01 | (32) |
| Unusual charges-World Trade Center | (0.15) | -- | -- |
| Special charges | (0.49) | (0.19) | -- |
| Cumulative effect of change in accounting principle | -- | (0.03) | -- |
| Net income | 0.73 | 1.79 | (59) |
| STOCKHOLDERS' EQUITY PER SHARE | 13.03 | 13.02 | -- |
| CASH DIVIDENDS PER SHARE PAID ON COMMON STOCK | 0.895 | 0.87 | 3 |
| OPERATING SEGMENTS*** | | | |
| REVENUE | | | |
| Insurance brokerage and other services | $ 4,659 | $ 4,367 | 7% |
| Consulting | 938 | 770 | 22 |
| Insurance underwriting | 2,250 | 2,167 | 4 |
| Total revenue | 7,847 | 7,304 | 7 |
| INCOME BEFORE INCOME TAX | | | |
| Insurance brokerage and other services | 734 | 766 | (4) |
| Consulting | 133 | 109 | 22 |
| Insurance underwriting | 309 | 303 | 2 |
| Total income before income tax excluding unusual and special charges-operating segments | 1,176 | 1,178 | -- |
| Unusual charges-World Trade Center | (68) | -- | -- |
| Special charges | (218) | (82) | -- |
| Total income before income tax-operating segments | 890 | 1,096 | (19) |
| CORPORATE AND OTHER | | | |
| Revenue | (171) | 71 | -- |
| Loss before income tax | (491) | (242) | -- |

* Earnings before unusual and special charges, interest, taxes, depreciation and amortization of intangible assets.
** Net of tax
*** Before cumulative effect of change in accounting principle.

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. See "Information Concerning Forward-Looking Statements" on the inside back cover of this annual report.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses Aon's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the applicable period. On an ongoing basis, management evaluates its estimates, assumptions and judgments, including those related to revenue recognition, investments, intangible assets, income taxes, financing operations, policy liabilities (including future policy benefit reserves, unearned premium reserves, and policy and contract claim reserves), restructuring costs, retirement benefits and contingencies and litigation. Management bases its estimates, assumptions and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies, among others, affect its more significant estimates, assumptions and judgments used in the preparation of its consolidated financial statements.

### REVENUE RECOGNITION

BROKERAGE COMMISSIONS AND FEES. In general, commission income is recognized at the later of the billing or effective date of the related insurance policies, net of an allowance for estimated policy cancellations. Certain life insurance commissions, commissions on premiums billed directly by insurance companies and certain other carrier compensation are generally recognized as income when received. Commissions on premium adjustments are recognized as they occur. Fees for claims services, benefit consulting, reinsurance services and other services are recognized when the services are rendered.

PREMIUM REVENUE. In general, for accident and health and extended warranty products, premiums collected are reported as earned in proportion to insurance protection provided over the period covered by the policies. For life products, premiums are recognized as revenue when due. For accident and health products, the insurance protection is generally provided ratably over the contract period. Premium revenue recognition for extended warranty products is subject to estimates of the incidence of loss within the policy period.

### CONTINGENCIES

Aon and its subsidiaries are subject to numerous claims, tax assessments and lawsuits that arise in the ordinary course of business. We are required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies are made after careful analysis of each individual issue. The required reserves may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

### PENSION BENEFIT OBLIGATIONS

We have significant pension benefit obligations that are developed from internal actuarial valuations. Inherent in these valuations and related net periodic costs or credits are key assumptions including discount rates, interest rates and expected return on plan assets. We are required to consider current market conditions, including changes in interest rates, in selecting these assumptions. Changes in the pension benefit obligations and the related net periodic costs or credits may occur in the future due to any variance of actual results from our assumptions and changes in the number of participating employees.

### POLICY LIABILITIES

To establish policy liabilities we rely upon estimates for reported and anticipated claims, our historical experience, other actuarial data and, with respect to accident and health and life liabilities, assumptions on investment yields. While management believes its estimation methodologies effectively measure these liabilities, a change from historical experience or a material deviation from our underlying assumptions could affect the ultimate results that are reported in Aon's consolidated financial statements.

## GENERAL

Aon has three operating segments: Insurance Brokerage and Other Services, Consulting, and Insurance Underwriting. These segments are based on client type and services or products delivered. Aon has a fourth, non-operating segment, Corporate and Other.

References to organic revenue growth exclude the impact of acquisitions, dispositions, transfers, investment income, foreign exchange and unusual items. Written premiums are the basis for organic revenue growth within the Insurance Underwriting segment, but reported revenues reflect earned premiums.

References to income before income tax exclude minority interest related to the issuance of 8.205% mandatorily redeemable preferred capital securities (capital securities) (see note 11) and the cumulative effect of a change in accounting principle (see note 1).

The accounting policies for the business segments are identical to those described in note 1 to the consolidated financial statements.

## SPIN-OFF OF INSURANCE UNDERWRITING BUSINESSES

On April 20, 2001, Aon's Board of Directors approved, in principle, a plan to spin off its insurance underwriting businesses to Aon's common stockholders, creating two independent, publicly traded companies. The spin-off would take the form of a tax-free stock dividend of the outstanding shares of common stock of Combined Specialty Corporation (CSC), a new company formed to hold the insurance underwriting businesses. The transaction requires final Board approval, a favorable Internal Revenue Service tax ruling and certain insurance regulatory approvals and is currently expected to be completed in spring 2002. In October 2001, Aon announced plans to expand its underwriting operations to include direct property and casualty insurance policies to meet clients' growing demand for insurance coverage. These expanded operations are intended to be part of the spin-off and may require the raising of additional capital. Also, in 2001, our underwriting subsidiaries invested $227 million to obtain an ownership interest in Endurance Specialty Insurance Ltd. (Endurance), a newly formed Bermuda-based insurer, which offers property and casualty insurance and reinsurance on a worldwide basis. Aon co-sponsored this company to support client demand for much needed underwriting capacity to commercial property and casualty insurance and reinsurance customers. This investment will allow Aon to participate in the growth expected in these areas. It is anticipated that after the spin-off of CSC, the Endurance investment will be owned by a CSC entity.

## WORLD TRADE CENTER

On September 11, 2001, the World Trade Center in New York was destroyed. Aon occupied space on several of the higher floors of one of the towers, where employees from insurance brokerage, human capital consulting, claims servicing, other specialty operations and accident, health and life insurance underwriting worked. Tragically, 175 of these employees are either confirmed or presumed dead.

The events of September 11 have had an unfavorable impact on near-term financial results due in part to the loss of many highly talented employees. Other factors include business interruption issues and supplemental benefits granted to families of deceased employees. The exact financial impact on Aon from these events is not currently determinable. Future insurance claims may offset some of these costs.

Aon's 2001 results include $68 million of identified World Trade Center costs that have been reported as a pretax unusual charge. These expenses are principally composed of insurance benefits of $45 million, net of approximately $147 million of reinsurance recoveries, provided under insurance policies issued by Aon's Combined Insurance Company of America (CICA). Reinsurers have disputed liability as to approximately $90 million of reinsurance recoveries under a Business Travel Accident policy issued by CICA to cover U.S.-based employees of subsidiaries of Aon Corporation, and legal actions have been filed by both parties. If there are adverse developments in legal proceedings relating to the Business Travel Accident policy, the Company could be financially responsible for some or all of the $90 million of anticipated reinsurance recoveries. Other unusual charges related to the World Trade Center include a $10 million commitment to the Aon Memorial Education Fund to support the educational needs of the children of Aon employees who were victims of the September 11 attacks, and $13 million of other costs that may not be recoverable from insurance.

Additional World Trade Center related costs are expected in 2002. Most costs incurred have been offset, where appropriate, by insurance claims. Other costs and recoveries remain to be identified and quantified, including business interruption issues. Aon also had $33 million of depreciable assets at book value destroyed that it has written off. It expects to recover full replacement value for these depreciable assets from its insurance policies. A gain would be reported to the extent the insurance proceeds exceed the book value of the destroyed assets. As analyses of the potential business interruption issues continue, and as additional claims are presented, a gain could potentially be recognized in a future period.

## SPECIAL CHARGES

### GENERAL

Aon's special charges are reflected in general expenses on the consolidated statements of income. Aon's unpaid liabilities relating to the business transformation plan, special charges and purchase accounting are reflected in general expense liabilities on the consolidated statements of financial position.

### BUSINESS TRANSFORMATION PLAN

In fourth quarter 2000, Aon began a comprehensive business transformation plan designed to enhance client service, improve productivity through process redesign, and accelerate organic revenue growth.

Implementation of the business transformation plan began in fourth quarter 2000 and will continue into 2002. Total plan costs, which include transition expenses, were originally expected to be less than $325 million on a pretax basis. The majority of the plan costs and savings are related to the Insurance Brokerage and Other Services segment, principally in the United States and the United Kingdom, where most of Aon's offices and employees are located. Slightly more than half of the total charges involve cash outlays for severance payments related to job eliminations. The current estimation for net reductions of approximately 3,000 positions through 2002 is at the lower end of what was anticipated. Aon has increased its hiring for certain specialist skills to fill new job roles created under the business transformation plan and to fill positions that bolster new business production efforts.

In the U.S. retail brokerage unit, the business transformation plan entailed process redesign following the rollout of a new policy management and accounting system (completed in 2000), job redesign based on functional expertise and the creation of four new Client Service Business Units (CSBUs). Conversions of client account servicing into the CSBUs fell behind schedule due to unexpected challenges in handling higher volumes of transfers between field operations and the CSBUs and steps were taken to improve the conversion process. These delays not only increased costs in the short-term, but also put pressure on regional offices that had to maintain parallel processes to ensure quality client services. This adversely affected new business production in the U.S. and normal account retention as attention was diverted from generating new business to completing client conversions.

Aon's largest and most advanced CSBU was located in the World Trade Center, which was destroyed on September 11, 2001. This CSBU has been relocated to mid-town Manhattan in New York City, along with a majority of the World Trade Center retail brokerage employees. A concerted effort is currently being made to fully convert client servicing for U.S. retail brokerage accounts to the CSBUs by the end of second quarter 2002, which will involve unplanned, one-time additional costs through the first half of 2002. Total costs, including both special charges and transition costs related to the business transformation plan, will therefore exceed the $325 million originally projected. Some of these additional transition costs, however, may be recovered as part of Aon's insurance claims related to the September 11 tragedy.

In connection with the plan, Aon recorded pretax special charges of $300 million-$82 million ($50 million after-tax or $0.19 per share) in 2000 and $218 million ($133 million after-tax or $0.49 per share) in 2001. Aon does not anticipate additional special charges from the business transformation plan. Of the total $300 million in special charges incurred, $163 million was related to termination benefits and involved approximately 4,000 employees. Aon also incurred $27 million in other costs to exit an activity. As part of the business transformation, charges of $110 million were incurred for asset impairments, primarily relating to the abandonment of systems and equipment, and to end Aon's involvement in certain joint ventures and service partner relationships that did not meet profitability hurdles. This also resulted in headcount reductions included in the above total. Transition costs, primarily related to our core operating businesses, were approximately $30 million for 2001, net of insurance recoveries, and consisted of process conversion costs, consulting fees and temporary help resulting in short-term employee retention costs. In 2000, transition costs were nominal.

Annualized pretax savings from the plan, which is not fully implemented, are estimated to be approximately $150 million related to actions already taken. These savings are expected to be fully achieved in late 2002 on an annualized basis as transition and other one-time costs related to the business transformation plan are eliminated. These savings will be partially offset by increased compensation for certain U.S. retail professionals, and the hiring of new employees with special skills at higher compensation levels. Savings generated in 2001 in the U.S. were substantially offset by transition costs and lower revenues. As Aon progresses through the next few quarters, completion of business process change and the exit of employees, who have been notified of their future termination, should drive cost savings.

1999

In first quarter 1999, Aon recorded special charges of $163 million ($102 million after-tax or $0.39 per share). The charges included provisions for restructuring in the Insurance Brokerage and Other Services and Consulting segments of $120 million (see note 4). Also, in the Consulting segment, charges of $43 million were recorded in first quarter 1999 to reflect amounts required to compensate customers who switched out of their company pension plans in the U.K. based upon advice offered by financial advisors of current Aon subsidiaries. This advice was given prior to Aon's purchase of these subsidiaries (see note 15).

In fourth quarter 1999, Aon recorded special charges of $150 million ($93 million after-tax or $0.35 per share). These charges reflect an additional amount related to the pension payments described above following changes in U.K. government requirements and amounts relating to various litigation matters including Unicover (see note 15).

Aon anticipates the final settlement of the liabilities relating to the U.K. pension selling to be disbursed over the next few years. Portions of the Unicover matter were settled in early 2000. The remaining Unicover issues are complex and, therefore, the timing and amount of resolution cannot be determined at this time.

## CONSOLIDATED RESULTS

The consolidated results of operations follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Revenue: | | | |
| Brokerage commissions and fees | $ 5,436 | $ 4,946 | $ 4,639 |
| Premiums and other | 2,027 | 1,921 | 1,854 |
| Investment income | 213 | 508 | 577 |
| Total consolidated revenue | 7,676 | 7,375 | 7,070 |
| Expenses: | | | |
| General expenses** | 5,595 | 5,108 | 4,901 |
| Benefits to policyholders | 1,111 | 1,037 | 973 |
| Interest expense | 127 | 140 | 105 |
| Amortization of intangible assets | 158 | 154 | 143 |
| Total expenses** | 6,991 | 6,439 | 6,122 |
| Income before income tax excluding unusual and special charges | 685 | 936 | 948 |
| Unusual charges-World Trade Center | 68 | -- | -- |
| Special charges | 218 | 82 | 313 |
| Income before income tax* | $ 399 | $ 854 | $ 635 |

* Excludes minority interest and cumulative effect of change in accounting principle. ** Excludes unusual and special charges.

### CONSOLIDATED RESULTS FOR 2001 COMPARED TO 2000

REVENUE. Revenue of $7.7 billion in 2001 rose 4% over 2000. Excluding the effects of foreign exchange rates, revenues increased 6% over the comparable period. Improvements in brokerage commissions and fees, as well as premiums earned, were partially offset by a decline in investment income resulting from decreased valuations of limited partnerships and lower interest rates, higher losses on disposals of investments and a falloff in parts of U.S. retail brokerage revenue primarily due to slower new account generation and below normal client retention. Aon does not directly hedge revenues against foreign currency translation because it is not cost effective, but does attempt to mitigate the effect of foreign currency fluctuations on pretax income. Consolidated revenue for the operating segments grew approximately 8% on an organic basis over 2000.

Consolidated revenue by geographic area follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Revenue by geographic area: | | | |
| United States | $ 4,463 | $ 4,350 | $ 4,131 |
| United Kingdom | 1,390 | 1,363 | 1,352 |
| Continent of Europe | 938 | 833 | 841 |
| Rest of World | 885 | 829 | 746 |

| | | | |
|---|---|---|---|
| Total revenue | $ 7,676 | $ 7,375 | $ 7,070 |

U.S. consolidated revenue, which represents 58% of total revenue, increased 3% in 2001 compared to 2000, as organic growth and acquisition activity was partially offset by declines in parts of the retail brokerage business as well as a significant drop in investment income. U.K. and Continent of Europe revenue combined increased 6% to $2.3 billion and Rest of World revenue increased 7% to $885 million reflecting acquisitions, new business and the impact of increasing premium rates that tend to increase commissions.

Brokerage commissions and fees increased 10% to $5.4 billion. This improvement was primarily from organic growth in non-U.S. retail brokerage and worldwide reinsurance brokerage, business combination activity (especially Actuarial Sciences Associates, Inc. (ASA) and ASI Solutions Incorporated (ASI)), increased new business and the impact of increased property and casualty premium rates. This was offset somewhat by unfavorable results in parts of U.S. retail brokerage due to delays in the implementation of the business transformation plan.

Premiums and other is primarily related to insurance underwriting operations. Premiums and other improved to $2.0 billion, a 6% increase over 2000. The increase primarily reflects continued organic growth, strong growth in lower

margin new business initiatives and the impact of the acquisition of First Extended, Inc. This was somewhat offset by the loss of some accounts in the warranty business, in addition to a general slowdown in the economy.

Investment income, which includes related expenses and income or loss on disposals and impairments, decreased significantly when compared to 2000, primarily reflecting reduced valuations on equity investments in limited partnerships and lower short-term interest rates. The comparison is also negatively impacted by the other than temporary impairment recorded for certain directly owned equity investments in the first and fourth quarters of 2001. Returns on private equity investments tend to fluctuate due to the inherent volatility of equity securities. Investment income from the Insurance Brokerage and Other Services and Consulting segments, primarily relating to fiduciary funds, decreased $31 million compared to 2000, principally due to declining interest rates.

EXPENSES. General expenses, excluding unusual and special charges, grew $487 million or 10%, reflecting expenditures to grow the brokerage business, the impact of acquisitions and transition costs related to the business transformation plan. Benefits to policyholders, which excludes the World Trade Center costs, rose $74 million or 7% as a result of new underwriting initiatives and an unusual increase in warranty claims related to an isolated program that will not affect future periods. Interest expense declined $13 million or 9% compared to prior year attributed to decreases in short-term interest rates and lower average debt balances.

INCOME BEFORE INCOME TAX. Income before income tax declined significantly from $854 million in 2000 to $399 million in 2001, due partially to the inclusion in 2001 of expenses related to the events of September 11 ($68 million) with no comparable amount in 2000. In addition, slower revenue growth in parts of the U.S. retail brokerage business due to delays in the implementation of the business transformation plan negatively impacted results. Results also declined from 2000 due to an increase in year-over-year business transformation special charges of $136 million and a decline in consolidated investment income of $295 million. Approximately 69% of Aon's consolidated income before income tax and unusual and special charges is from non-U.S. operations.

INCOME TAXES. The effective tax rate was 39% for both 2001 and 2000. The overall effective tax rates are higher than the U.S. federal statutory rate primarily because of state income tax provisions and the non-deductibility of certain goodwill amortization.

NET INCOME. 2001 net income declined to $203 million ($0.73 per dilutive share) compared to $474 million ($1.79 per dilutive share) in 2000. In 2000, the Company adopted the Securities and Exchange Commission's Staff Accounting Bulletin (SAB)No. 101, which resulted in a one-time cumulative non-cash charge of $7 million after-tax ($0.03 per share). Basic net income per share was $0.74 and $1.81 for 2001 and 2000, respectively. Dividends on the redeemable preferred stock have been deducted from net income to compute income per share.

**CONSOLIDATED RESULTS FOR FOURTH QUARTER 2001
COMPARED TO FOURTH QUARTER 2000**

Total revenues in the quarter rose 4%. The impact of the change in foreign exchange rates was minimal for the quarter. The higher revenues reflect 9% organic growth in the operating segments, including the impact of premium rate increases, as well as business combination activity. These factors were somewhat offset by a revenue decline in parts of the U.S. retail brokerage area due to the negative impact of delays in the implementation of the business transformation plan, lower investment income as a result of lower interest rates, a decline in limited partnership income due to valuation changes and loss on disposal of investments mainly due to other-than-temporary impairments. Total expenses, excluding unusual and special charges, increased 9% to $1.9 billion as a result of costs and investments in new business initiatives, acquisitions and transition costs related to the business transformation plan. Partially offsetting these increases was a 24% decline in interest expense, primarily reflecting lower interest rates and lower debt levels. Income before income taxes, excluding unusual charges in 2001 and special charges in 2000, fell 31% to $169 million.

**CONSOLIDATED RESULTS FOR 2000 COMPARED TO 1999**

REVENUE. Total revenue was $7.4 billion, an increase of 4% on a reported basis. On a comparable currency basis, total revenue growth was 7%. This increase was largely attributable to new business growth in the operating segments, business combination activity and the impact of improving premium rates across the property and casualty insurance markets. Negative foreign exchange translations, the absence of Unicover revenue and a significant decrease in corporate and other investment revenues associated with lower income on disposals of securities hurt revenue growth. Consolidated organic revenue growth was approximately 8% over 1999.

U.S. revenues increased 5% in 2000 compared to 1999, primarily due to organic growth and acquisitions. U.K. and Continent of Europe revenues increased slightly to $2.2 bil-

lion and Rest of World revenue of $829 million increased 11% in 2000, reflecting acquisitions and new business.

Brokerage commissions and fees increased 7% to $4.9 billion, primarily from organic growth of new business and from business combination activity. Partially offsetting the growth was the negative impact of foreign exchange rates.

Premiums and other increased 4% in 2000 to $1.9 billion. This increase was generated by continued strong growth in the accident and health core businesses driven by the continued expansion of product distribution through worksite marketing programs and the development of new product initiatives introduced in 1999 on a global basis. Revenue growth was partially offset by a reduction in extended warranty revenues primarily from the intentional discontinuation of one major warranty renewal and the loss of revenue from the exit of a major retailer from the appliances and electronics line.

Investment income of $508 million declined 12% in 2000, principally reflecting lower levels of income on disposals of securities. This decline was partially offset by higher investment income from the insurance brokerage and other services and consulting operations, which increased $30 million or 19% in 2000 compared to 1999. Higher short-term interest rates, coupled with improved cash flows also contributed to the increase.

EXPENSES. General expenses, excluding special charges, increased $207 million or 4% over 1999 primarily reflecting investments in new business initiatives, acquisitions and technology. Such costs included the rollout of Aon's U.S. retail brokerage computer system platform and related conversions, running of parallel systems and one-time training expenses.

Benefits to policyholders increased 7% in 2000 and exhibited no unusual claims activity.

Interest expense increased 33% from prior year, partly attributable to acquisition financing. Higher short-term interest rates and the issuances of $250 million of 6.9% notes in second quarter 1999 and $250 million of 8.65% notes in second quarter 2000 (see note 8) also contributed to the increase.

INCOME BEFORE INCOME TAX. Excluding special charges, income before income tax decreased $12 million or 1%, primarily reflecting lower levels of income on disposals of securities, costs to integrate Aon's global network, additional interest expense and the absence of Unicover revenue. During the year, the net foreign exchange impact to pretax income, after the benefit of derivative activity, was negligible. Approximately 47% of Aon's consolidated income before income tax and special charges is from non-U.S. operations.

INCOME TAXES. The effective tax rate was 39% and 38.3% for 2000 and 1999, respectively. The increase in the 2000 effective tax rate was primarily attributable to a shift in business mix. The overall effective tax rates are higher than the U.S. federal statutory rate primarily because of state income tax provisions and the non-deductibility of certain goodwill amortization.

NET INCOME. Net income for 2000 was $474 million or $1.79 per share compared to $352 million or $1.33 per share in 1999. The increase in 2000 net income and the related per share amount is influenced primarily by a lower level of 2000 after-tax special charges of $50 million ($0.19 per share) compared to 1999 after-tax special charges of $195 million ($0.74 per share). Partially offsetting the increase in 2000 net income was the adoption of SAB No. 101 which resulted in a one-time cumulative non-cash charge of $7 million after-tax ($0.03 per share). Basic net income per share was $1.81 and $1.35 in 2000 and 1999, respectively. Dividends on the redeemable preferred stock in 2000 and 1999 have been deducted from net income to compute income per share.

## OPERATING SEGMENTS

Aon classifies its businesses into three operating segments: Insurance Brokerage and Other Services, Consulting and Insurance Underwriting (see note 16).

Aon's operating segments are identified as those that report separate financial information and that are evaluated on a regular basis in deciding how to allocate resources and assess performance. Total revenue for each of the operating segments is presented both by major product and service and by geographic area in note 16. Revenues are attributed to geographic areas based on the location of the resources producing the revenues. Because Aon's culture fosters interdependence among its operating units, the allocation of expenses by product and geography is difficult to delineate. While revenue is tracked and evaluated separately by management, expenses are allocated to products and services within each of the operating segments. In addition to revenue, Aon also measures a segment's financial performance using its income before income tax.

Operating segment revenue includes investment income related to operating invested assets of that segment. Investment characteristics mirror liability characteristics of the respective operating segments. Aon's Insurance Brokerage and Other Services and Consulting businesses invest fiduciary funds and operating funds in shorter-term obligations. Income derived from these investments, as well as the impact of related deriv-

atives, is included in the revenues of those businesses. In Insurance Underwriting, policyholder claims and other types of non-interest sensitive insurance liabilities are primarily supported by intermediate- to long-term fixed-maturity instruments. Investments underlying interest-sensitive capital accumulation insurance liabilities are fixed- or floating-rate fixed-maturity obligations. The capital of the insurance underwriting subsidiaries is invested in common stocks and other securities. For the Insurance Underwriting segment, operating invested assets are equivalent to average net policy liabilities.

For purposes of the following operating segment discussions, comparisons of 2001 against 2000 results and 2000 against 1999 results exclude special charges as well as unusual charges related to the World Trade Center.

The following tables and commentary provide selected financial information on the operating segments.

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Operating segment revenue: | | | |
| Insurance brokerage and other services | $ 4,659 | $ 4,367 | $ 4,144 |
| Consulting | 938 | 770 | 656 |
| Insurance underwriting | 2,250 | 2,167 | 2,106 |
| Total operating segments | $ 7,847 | $ 7,304 | $ 6,906 |
| Income before income tax: | | | |
| Insurance brokerage and other services | $ 734 | $ 766 | $ 684 |
| Consulting | 133 | 109 | 80 |
| Insurance underwriting | 309 | 303 | 290 |
| Total operating segments | 1,176 | 1,178 | 1,054 |
| Unusual charges-World Trade Center | 68 | -- | -- |
| Special charges | 218 | 82 | 313 |
| Total income before income tax-operating segments | $ 890 | $ 1,096 | $ 741 |

## INSURANCE BROKERAGE AND OTHER SERVICES

Aon is the second largest global insurance broker; the largest reinsurance broker and manager of captive insurance companies worldwide; the largest multiline claims services provider in the U.S; and the largest wholesaler broker and underwriting manager in the U.S.

Approximately 59% of Aon's total operating segment revenues are generated from this segment. Revenues are generated primarily through fees paid by clients; commissions and fees paid by insurance and reinsurance companies; certain other carrier compensation; and interest income on funds held primarily in a fiduciary capacity. As the broker or intermediary, Aon does not accept insurance risk. Revenues vary from quarter to quarter throughout the year as a result of the timing of clients' policy renewals, the net effect of new and lost business, volume-based commissions and overrides and the realization of income on investments. Generally, expenses tend to be more uniform throughout the year, however, in 2001, expenses were impacted by the business transformation plan and the events of September 11.

The highly specialized product development, consulting and administrative risk management needs of professional groups, service businesses, governments, healthcare providers and commercial organizations are addressed in this segment. Affinity products for professional liability, life, disability income and personal lines are provided for individuals, associations and businesses. Certain operating subsidiaries provide marketing and brokerage services to both the primary insurance and reinsurance sectors.

Revenues generated by the Insurance Brokerage and Other Services segment are affected by premium rate levels in the property and casualty insurance markets and available insurance capacity because compensation is frequently related to the premiums paid by insureds.

## INSURANCE BROKERAGE AND OTHER SERVICES RESULTS FOR 2001 COMPARED TO 2000

REVENUE. Total 2001 Insurance Brokerage and Other Services revenue was $4.7 billion, up 7%, on a reported basis. Organic growth, including the impact of hardening premium rates, as well as acquisitions, accounted for the majority of this revenue growth. Revenue growth was constrained by unfavorable results in parts of the U.S. retail brokerage operations and lower investment income due to declining interest rates. Insurance Brokerage and Other Services operating revenue, on an organic basis, grew approximately 8% in a very competitive environment. Fees of $24 million were collected for managing the capital raising for Endurance. Investment income decreased $30 million in 2001 as declines in short-term interest rates were experienced.

Continuing the trend from last year, the impact of insurance premium rate increases benefited revenues in 2001. After September 11, insurance

markets that were already experiencing rising premium rates in many sectors were impacted further by restrictions on the availability of some coverages and the financial strength of certain insurance companies. The property and casualty insurance market is very competitive. As premium rates rise, clients often retain more risk. This may limit revenue growth, thus affecting the future earnings of Aon's brokerage operations.

Insurance Brokerage and Other Services revenue by geographic region and pretax income follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Revenue by geographic area: | | | |
| United States | $ 2,425 | $ 2,277 | $ 2,146 |
| United Kingdom | 918 | 889 | 830 |
| Continent of Europe | 733 | 654 | 680 |
| Rest of World | 583 | 547 | 488 |
| Total revenue | $ 4,659 | $ 4,367 | $ 4,144 |
| Income before income tax excluding unusual and special charges | $ 734 | $ 766 | $ 684 |

U.S. revenue of $2.4 billion rose 6% in 2001 on the strength of organic growth, the impact of premium rate increases, and growth in claims services, wholesale brokerage and underwriting management. Partially offsetting this growth was slower new business growth in parts of the retail brokerage business and below normal account retention, due in part from delays in the implementation of the business transformation plan and the impact of the World Trade Center attacks. U.K. and Continent of Europe revenues of $1.7 billion increased 7% from 2000 reflecting organic growth and, to a lesser extent, acquisitions, offset partially by unfavorable foreign exchange rates. Rest of World revenue increased $36 million or 7% in 2001 primarily reflecting organic growth resulting from new business and good renewal rates.

INCOME BEFORE INCOME TAX. Pretax income declined 4% from 2000 to $734 million. Pretax margins were 15.8% for 2001 versus 17.5% last year. The margin decline was principally driven by slower new business growth in parts of the U.S. retail brokerage operations, with only minimal offset from the sale of a small non-strategic book of business. In addition, higher costs in certain parts of the U.S. retail business, due partly to delays in implementing the business transformation plan (including expenses to run parallel processes longer than expected, as well as higher compensation and transition costs), also contributed to the pretax margin decline. These factors reduced business transformation savings. Significant growth in our claims services business, which has lower margins, also impacted the year-to-year comparison.

**CONSULTING**

Aon Consulting is one of the world's largest integrated human capital consulting organizations. The operations of this segment provide a full range of human capital management services. These services are delivered predominantly to corporate clientele utilizing five major practices: employee benefits, compensation, management consulting, outsourcing and communications. This segment generates 12% of Aon's total operating segment revenues. The acquisitions of ASA in 2000 and ASI in 2001 expanded the Company's abilities, especially outsourcing services.

The employee benefits practice constructs and implements benefit packages as well as conducts proprietary research on employee commitment and loyalty. The compensation practice focuses on designing salary, bonus, commission, stock option and other pay structures. Management consulting assists clients in process improvement and design, leadership, organization and human capital development. The outsourcing practice offers employment processing, performance improvement, benefits administration and other employment services. Communication consultants advise companies on initiatives that support their corporate vision.

Revenues in the Consulting segment are affected by changes in clients' industries, including government regulation, as well as new products and services, the state of the economic cycle, broad trends in employee demographics and the management of large organizations.

**CONSULTING RESULTS FOR 2001 COMPARED TO 2000**

REVENUE. Revenues of $938 million in 2001 represent a 22% increase over 2000. Excluding the impact of foreign exchange rates, the growth rate was 24%. On a global basis, the improvement in revenue was influenced by strong growth in the U.S. employee benefits business and by acquisition activity, especially ASA and ASI. Revenue grew 7% on an organic basis, as client demand for solutions that enhance workforce productivity continued. However, the worsening economy put some pressure on organic revenue growth, especially the hiring slowdown by some clients.

Consulting revenue by geographic area and pretax income follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Revenue by geographic area: | | | |
| United States | $ 628 | $ 486 | $ 405 |
| United Kingdom | 157 | 151 | 147 |
| Continent of Europe | 77 | 67 | 44 |
| Rest of World | 76 | 66 | 60 |
| Total revenue | $ 938 | $ 770 | $ 656 |

| | | | |
|---|---|---|---|
| Income before income tax excluding unusual and special charges | $ 133 | $ 109 | $ 80 |

U.S. revenue of $628 million grew 29% from 2000. The improvement reflects acquisitions and strong fundamental operating performance, particularly in the employee benefits practice. U.K. revenue rose slightly when compared with 2000.

Good growth was mostly offset by the impact of the sale of a financial planning consulting business last year, along with unfavorable foreign exchange rates. Both the Continent of Europe and Rest of World revenues rose $10 million from 2000 on organic growth.

INCOME BEFORE INCOME TAX. Pretax income was $133 million, a 22% increase from last year. In 2001, pretax margins in this segment were 14.2%, even with 2000. Pretax margins were constrained following the loss of talented employees in the World Trade Center disaster and the expansion of lower margin outsourcing business.

**INSURANCE UNDERWRITING**

The Insurance Underwriting segment provides supplemental accident and health and life insurance coverage through several distribution networks, most of which are directly owned by Aon's subsidiaries, and extended warranty and casualty insurance products. This segment has operations in the United States, Canada, Latin America, Europe and Asia/Pacific and generates approximately 29% of Aon's total operating segment revenues. In April 2001, Aon announced a plan to spin off its current insurance underwriting businesses to Aon's common stockholders (see note 2).

In the accident and health and life operations, Aon provides an array of accident, sickness, short-term disability and other supplemental insurance products. Most of these products are primarily fixed-indemnity obligations, and are thereby not subject to escalating medical costs. A sales force of approximately 7,000 exclusive career agents call on clients to initiate or renew coverage. Also, Aon has developed relationships with select brokers and consultants to reach specific niche markets. In addition to the traditional business, product distribution has been expanded to include direct response programs, affinity groups and worksite marketing, creating access to new markets and potential new policyholders.

Subsidiaries in North America, Latin America, Asia/Pacific and Europe provide warranties on automobiles and a variety of consumer goods, including electronics and appliances. In addition, Aon provides non-structural home warranties and other warranty products, such as credit card enhancements and affinity warranty programs. Aon has plans for a new initiative to actively write commercial property and casualty policies. Revenues earned from the administration of certain warranty services on automobiles, electronic goods, personal computers and appliances are reflected in the Insurance Brokerage and Other Services segment based on how the business is reviewed by management, but will be reflected as revenue in CSC after the planned spin-off.

In 2001, the underwriting businesses invested $227 million to obtain an ownership interest in Endurance, which will offer property and casualty insurance and reinsurance on a worldwide basis. This investment will provide much needed underwriting capacity to commercial firms and insurance and reinsurance customers and will benefit from growth expected in these areas.

REVENUE. Revenues of $2.3 billion in 2001 represented an increase of 4% over 2000. Excluding the impact of exchange rates, revenues rose 6%. Improvement over last year was driven by the development of new product initiatives and a higher volume of business in accident and health products, which continued to expand distribution through worksite marketing programs. Organic revenue growth was 6% in 2001.

Insurance underwriting revenue by geographic area and pretax income follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Revenue by geographic area: | | | |
| United States | $ 1,615 | $ 1,545 | $ 1,457 |
| United Kingdom | 302 | 308 | 349 |
| Continent of Europe | 125 | 111 | 115 |
| Rest of World | 208 | 203 | 185 |
| Total revenue | $ 2,250 | $ 2,167 | $ 2,106 |
| Income before income tax excluding unusual and special charges | $ 309 | $ 303 | $ 290 |

U.S. revenue increased $70 million in 2001 to $1.6 billion. Higher revenues reflect new product initiatives and acquisitions, and more than compensated for the decline in electronic warranty product revenue and declines in investment income. U.K. and Continent of Europe revenue increased 2% to $427 million. Unfavorable foreign exchange rates and the slowdown of business in the warranty area offset organic growth in the U.K. and Continent of Europe. Rest of World revenue was up 2% to $208 million.

INCOME BEFORE INCOME TAX. Pretax income of $309 million increased 2% from 2000. Pretax margins fell from 14.0% in 2000 to 13.7% in 2001. New underwriting initiatives drove premium growth but also resulted in increased benefits to policyholders. In addition, an unusual increase in warranty claims occurred during early 2001 related to an isolated program that did not affect subsequent periods.

## CORPORATE AND OTHER

The components of Corporate and Other revenue and expenses follow:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Corporate and other revenue: | | | |
| Change in valuation of private limited partnership investments | $ (94) | $ 73 | $ 60 |
| Income from marketable equity securities and other investments | 7 | 9 | 26 |
| Corporate and other revenue before income (loss) on disposals and related expenses | (87) | 82 | 86 |
| Income (loss) on disposals and related expenses | (84) | (11) | 78 |
| Corporate and other revenue | $ (171) | $ 71 | $ 164 |
| Non-operating expenses: | | | |
| General expenses | $ 75 | $ 59 | $ 63 |
| Interest expense | 127 | 140 | 105 |
| Amortization of goodwill | 118 | 114 | 102 |
| Loss before income tax | $ (491) | $ (242) | $ (106) |

Corporate and Other segment revenue consists primarily of investment income and losses from private limited partnership investments and income or loss on disposals. Also included are other-than-temporary impairment writedowns of all securities, including those pertaining to assets supporting the operating segments.

Private equities are principally carried at cost and usually do not pay a dividend. Limited partnerships are accounted for on the equity method and changes in the value of the underlying partnership investments flow through Corporate and Other segment revenue. Because the limited partnership investments include exchange-traded securities, Corporate and Other segment revenue fluctuates with the market values of underlying publicly-traded equity investments. Limited partnership interests consist of investments plus commitments to invest. Limited partnership investments have historically provided higher returns over a longer time horizon than broad market common stocks. However, in the short run, the returns are inherently more variable. On December 31, 2001, Aon securitized $450 million of its limited partnership investments plus associated limited partnership commitments, which represented the majority of its limited partnership interests. Aon received a combination of cash and securities in connection with the securitization. This transaction is expected to lessen the variability of revenue reported in this segment in future years. The limited partnership investments were previously included in Aon's consolidated statements of financial position. The cash and securities received from the securitization are now included in Aon's consolidated statements of financial position.

REVENUE. Corporate and Other revenue was a negative $171 million versus positive $71 million last year. The falloff in revenue primarily reflects reduced valuations of private limited partnership investments. While positive returns were generated from the limited partnership portfolios through 2000, the investments were negatively impacted by unfavorable market conditions in 2001. The comparison is also affected by $57 million of impairment writedowns of certain fixed maturity and equity investments, mainly in the first and fourth quarters of 2001.

LOSS BEFORE INCOME TAX. Corporate and Other expenses were $320 million, an increase of $7 million from the comparable period in 2000. Interest expense declined $13 million compared to prior year, reflecting lower interest rates as well as lower debt levels. General expenses rose $16 million over 2000, in part from the duplicate occupancy costs involving major moves to new office space. General expenses in 2000 benefited from the gain on sale of a non-core business in the U.K. Goodwill amortization increased as a result of new acquisitions made prior to July 1, 2001. Beginning in 2002, goodwill will no longer be amortized but will instead be tested annually for impairment (see note 1).

The revenue and expense comparisons discussed above contributed to the overall Corporate and Other pretax loss of $491 million in 2001 versus a loss of $242 million in 2000.

## DISCONTINUED OPERATIONS

Discontinued operations are composed of certain insurance underwriting subsidiaries acquired with Alexander and Alexander Services, Inc. (A&A) that are currently in run-off and the indemnification by A&A of certain liabilities relating to subsidiaries sold by A&A prior to its acquisition by Aon. Management believes that, based on current estimates, these discontinued operations are adequately reserved. The liability is included as a component of other liabilities on the consolidated statements of financial position. In January 2002, Aon settled certain of these liabilities. The settlement had no material effect on the consolidated financial statements.

## FINANCIAL CONDITION AND LIQUIDITY

Aon's routine liquidity needs are primarily for servicing its debt and for the payment of dividends on stock issued and the capital securities. Dividends from Aon's subsidiaries are the primary source for meeting these requirements. After meeting its routine dividend and debt servicing requirements, Aon used a portion of the remaining subsidiary dividends received throughout the year to invest in acquisitions to expand its operating segment businesses. There are certain regulatory restrictions relating to dividend capacity of the insurance subsidiaries that are discussed in note 11. Insurance subsidiaries' statutory capital and surplus at year-end 2001 exceeded the risk-based capital target set by the National Association of Insurance Commissioners by a satisfactory level. Aon's operating subsidiaries anticipate that there will be adequate liquidity to meet their needs in the foreseeable future and to provide funds to the parent company. The businesses of Aon's operating subsidiaries continue to provide substantial positive cash flow. Brokerage cash flow has been used primarily for business reinvestment, acquisition financing and payments of business transformation, other special charge and purchase accounting liabilities, as well as to reduce debt. Aon anticipates continuation of its subsidiaries' positive cash flow and the ability of the parent company to access adequate short-term lines of credit. In 2001, the Company received advances on its insurance claims from the World Trade Center of approximately $30 million.

OPERATING CASH FLOWS. Cash flows from operating activities represent the net income earned by Aon in the reported periods adjusted for non-cash charges, as well as changes in assets and liabilities. Cash flows provided by operating activities for 2001 were $559 million, a $180 million decrease from 2000. Gross benefits, before reinsurance recoveries, paid due to the World Trade Center tragedy, accounted for $151 million of the shortfall. The use of cash for income taxes is due to the inability to currently deduct certain expenses incurred during the year, resulting in more taxes paid in 2001 than in the prior year. The positive non-cash effect of lower valuations on Aon's limited partnership portfolios, coupled with impairments of investments and net losses on disposals, was partially offset by lower net income. Insurance operation assets and liabilities reflect a use of cash in 2001, partially as a result of settlements of liabilities on cancelled contracts.

INVESTING CASH FLOWS. Investing activities used cash of $616 million, an increase of $479 million over last year. The net sale of investments provided cash of $405 million during 2001. On December 31, 2001, Aon securitized most of its limited partnership portfolio via a sale to Private Equity Partnership Structures I, LLC (PEPS I). In return, Aon received securities of PEPS I and $171 million in proceeds from an outside investor. Net purchase of short-term investments was $633 million. Cash used for acquisition activity during 2001 was $107 million, reflecting both brokerage and consulting acquisitions, and was slightly higher than last year. Expenditures for property and equipment increased $102 million over 2000. Higher domestic purchases, plus lower proceeds on the sale of assets, drove the increase.

FINANCING CASH FLOWS. Cash of $620 million was used during 2001 for financing activities, which was $307 million more than was utilized in 2000. The higher usage of cash compared to last year is primarily due to repayments of long-term borrowings in 2001, while in 2000, $250 million of long-term debt was issued. In 2001, more cash was received from stock option exercise proceeds than was expended to purchase treasury stock. In 2000, treasury stock purchases exceeded stock option exercise proceeds. Cash was used to pay dividends of $238 million on common stock and $3 million on redeemable preferred stock during 2001. Various regulatory requirements applied to Aon's underwriting and overseas operations limit availability of operating cash flows for general corporate purposes.

FINANCIAL CONDITION. Total assets increased $135 million to $22.4 billion since year-end 2000. Invested assets at December 31, 2001 increased $127 million from last year, primarily resulting from the growth in short-term investments. More cash was invested in short-term investments at year-end 2001 than at December 31, 2000, which is a major factor in the reduced cash balance this year. Cash was lower in 2001 following debt paydowns of $156 million.

Aon's consolidated statement of financial position as of December 31, 2001 contains a general expense liability of $61 million related to purchase restructuring liabilities (see note 4) and $79 million related to the business transformation plan (see note 5). Aon anticipates that most of the outstanding termination benefits will be paid over the next few years. The remaining items primarily reflect lease obligations and will run off over a period up to 10 years. Aon does not anticipate that payments for termination benefits and lease obligations will have a material impact on cash flows in subsequent periods. Restructuring liabilities related to recent acquisitions and prior year special charges have been reduced by payments as planned.

## CAPITAL RESOURCES

SHORT-TERM BORROWINGS AND NOTES PAYABLE. At December 31, 2001, Aon had $1.2 billion of back-up lines of credit available to support its $254 million outstanding commercial paper at December 31, 2001. In February 2002, Aon renegotiated its back-up lines of credit. In anticipation of the impending spin-off of its insurance underwriting subsidiaries, Aon's line of credit was reduced to $875 million. This new agreement will expire in 2005. In order to achieve tax-efficient financing, Aon renegotiated, in September 2001, a new committed revolving bank credit facility under which certain European subsidiaries can borrow up to EUR 500 million. As of December 31, 2001, Aon had borrowed EUR 269 million ($239 million) under this facility, of which $152 million is classified as short-term borrowings and $87 million is classified as notes payable in the consolidated statements of financial position.

Notes payable decreased by $104 million when compared to year-end 2000. The principal reason for the decline was the paydown of the Euro credit facility. Funds received from the issuance of $150 million of notes with a floating interest rate of LIBOR +1% due January 2003, and $250 million of 6.2% notes due January 2007 (see note 8) were used to pay down U.S. commercial paper. Contractual maturities of notes payable and operating lease commitments (with initial or remaining non-cancelable lease terms in excess of one year) by due date are disclosed in note 8.

Aon borrows funds from and lends funds to its various subsidiaries. As of December 31, 2001, Aon had obligations to its subsidiaries of approximately $581 million. These obligations have competitive interest rates.

STOCKHOLDERS' EQUITY. At December 31, 2001, common stockholders' equity per share increased marginally to $13.03 from $13.02 in 2000. Stockholders' equity increased by $133 million. On a per share basis, it increased one cent. The principal factors influencing the growth of equity were net income of $203 million and net unrealized investment gains of $30 million. Additionally, common stock and paid-in additional capital increased $977 million of which $783 million related to shares which were issued in conjunction with the acquisition of two entities controlled by Aon's Chairman and Chief Executive Officer. A corresponding offset amount is reflected as treasury stock, as the Company received 22.4 million shares of stock in the transaction (see note 4). In addition, the ASI and First Extended acquisitions were financed through the issuance of $197 million of common stock. Offsetting this increase were dividends to stockholders of $241 million and net foreign exchange losses of $58 million. Unrealized investment and foreign exchange fluctuations from period to period are largely based on market conditions. Aon believes it is not economical to hedge these short-term noncash fluctuations. Also, the additional minimum pension liability adjustment increased $124 million.

During 2001, certain of Aon's defined benefit plans, particularly in the United Kingdom, suffered significant valuation losses in the assets backing the related pension obligation. These losses were primarily a result of the decline in the international equity markets. Accounting principles generally accepted in the U.S. require a company to maintain, at a minimum, a liability on its balance sheet equal to the difference between the present value of benefits incurred to date for pension obligations and the market value of the assets supporting these obligations. At year-end 2001, this minimum pension liability amounted to $204 million, up from $82 million at the end of 2000. The after-tax effect on accumulated other comprehensive loss was $168 million at December 31, 2001. The related pension plan assets are maintained in separate trust accounts and are not part of Aon's consolidated financial statements.

RELATED PARTY TRANSACTIONS. During 2001, Aon completed a transaction with Patrick G. Ryan, Chairman and CEO, and his family members. The result of the transaction is that the Ryan family and their trusts now have direct ownership of their Aon shares versus indirect ownership through corporations owned by the Ryan family. The transaction in no way changes Mr. Ryan and his family's 12% beneficial ownership of Aon's common shares.

Aon's Board of Directors approved the transaction following receipt of the unanimous recommendation of a Special Committee of the Board comprised solely of outside directors who were advised by legal and financial advisors separately retained by the Special Committee. The recommendation and approval were based upon consideration of contractual terms and other benefits of the transaction to Aon including the receipt of cash, net of expenses, of approximately $5 million, and certain stock transfer restrictions.

SPECIAL PURPOSE ENTITIES. Aon utilizes special purpose entities and qualifying special purpose entities (QSPE), also known as special purpose vehicles, in certain of its operations, following the guidance contained in Financial Accounting Standards Board Statement No. 140 (Statement No. 140) and other relevant accounting guidance.

Certain of Aon's special purpose vehicles, were formed for the sole purpose of purchasing financing receivables and selling those balances to conduits owned and managed by third-party

financial institutions. Subject to certain limitations, agreements provide for sales to these conduit vehicles on a continuing basis through December 2002. It is management's intent to renew these conduit facilities, which are used to support Aon's financing operations, upon their expiration. Factors that would affect the utilization and availability of the conduit facilities and special purpose vehicles would be adverse bank, regulatory, tax or accounting rule changes. As of December 31, 2001, the maximum commitment by the financial institutions contained in these agreements was $2.4 billion. Under the agreements, the receivables are sold to the conduits. Consequently, credit risks on the receivables are borne by the conduits subject to limited recourse in the form of credit loss reserves provided by Aon's subsidiaries and guaranteed by Aon. Aon's maximum credit risk under recourse provisions of these agreements was approximately $225 million at December 31, 2001. These special purpose vehicles are not included in Aon's consolidated financial statements.

On December 31, 2001, Aon sold the vast majority of its limited partnership (LP) portfolio, valued at $450 million, to PEPS I, a QSPE. The common stock interest in PEPS I is held by a limited liability company which is owned by one of Aon's subsidiaries (49%) and by a charitable trust, which is not controlled by Aon, established for victims of the September 11 attacks (51%). Approximately $171 million of investment grade fixed-maturity securities were sold by PEPS I to unaffiliated third parties. PEPS I then paid the Company's insurance underwriting subsidiaries the $171 million in cash and issued to them an additional $279 million in fixed-maturity and preferred stock securities. The fixed-maturity securities Aon subsidiaries received from PEPS I are rated as investment grade by Standard & Poor's Ratings Services. As part of this transaction the insurance companies are required to purchase from PEPS I additional fixed-maturity securities in an amount equal to the unfunded LP commitments as they are requested. As of December 31, 2001, these unfunded commitments amounted to $136 million. If the insurance companies fail to purchase additional fixed-maturity securities as commitments are drawn down, Aon has guaranteed their purchase. While this transaction should significantly reduce the reported earnings volatility associated with these limited partnership investments, it will not significantly limit Aon's ability to recoup past losses or realize potential gains. Subsequent to the closing of the securitization, one of the insurance subsidiaries sold PEPS I fixed-maturity securities with a value of $20 million to Aon. The assets and liabilities and operations of PEPS I are not included in Aon's consolidated financial statements.

As part of CICA's strategy to issue stable value investments contracts to institutional investors, Combined Global Funding, LLC (Combined Global), a Cayman Islands-based special purpose entity, was formed solely to issue notes to investors under a European Medium Term Note (EMTN) Program. The proceeds of the notes are used to purchase Funding Agreement policies issued by CICA. The contract terms of the Funding Agreement mirror the terms of the trust medium-term notes. At the stated maturity of the Funding Agreement, CICA is required to settle with Combined Global, which then redeems the notes issued to investors. Neither CICA nor its affiliates own any shares of Combined Global. The authorized program size is $1 billion; outstanding Funding Agreements at December 31, 2001 were $79 million and are included in Aon's consolidated statements of financial position in other policyholder funds.

## INVESTMENT OPERATIONS

Aon invests in broad asset categories related to its diversified operations. Investments are managed with the objective of maximizing earnings while monitoring asset and liability durations, interest and credit risks and regulatory requirements. Aon maintains well-capitalized operating companies. The financial strength of these companies permits a diversified investment portfolio including invested cash, fixed-income obligations, public and private equities and limited partnerships.

Invested assets and related investment income not directly required to support the insurance brokerage and consulting businesses, together with the assets in excess of net policyholder liabilities of the underwriting business and related income, are allocated to the Corporate and Other segment. These insurance assets, which are publicly-traded equities, as well as less liquid private equities and limited partnerships, represent a more aggressive investment strategy that provides an opportunity for greater returns with a longer-term investment horizon. These assets, owned by the insurance underwriting companies, are necessary to support strong claims paying ratings by independent rating agencies and are unavailable for other uses such as debt reduction or share repurchases without consideration of regulatory requirements (see note 11).

Many of the limited partnerships in which Aon invests have significant holdings in publicly-traded equities. Changes in market value of these equities flow through the valuation of the limited partnerships. Aon's ownership share of this partnership valuation is included in Aon's reported Corporate and Other segment revenue. By comparison, changes in the mar-

ket value of directly-held, publicly-traded equities are recorded directly in stockholders' equity. As a consequence of this accounting, the Corporate and Other segment exhibits greater variability in investment income than is the case of investments supporting the operating segments. On December 31, 2001, Aon securitized $450 million of limited partnership investments and associated limited partnership commitments, which represent most of the limited partnership investments held by Aon, via a sale to PEPS I. The securitization gives Aon's underwriting subsidiaries greater liquidity and is expected to lessen the revenue variability that has been experienced in the past in the Corporate and Other segment.

With a carrying value of $2.1 billion at December 31, 2001, Aon's total fixed-maturity portfolio is invested primarily in investment grade holdings (94%) and has a fair value which is 99% of amortized cost. Aon's general investment philosophy is to hold fixed-rate assets for long-term investment. Thus, it does not have a trading portfolio. Aon has determined that its portfolio of bonds, notes and redeemable preferred stocks is available to be sold in response to changes in market interest rates, relative value of asset sectors and individual securities prepayment and credit risks and Aon's need for liquidity.

MARKET RISK EXPOSURE. Aon is subject to various market risk exposures including foreign exchange rate risk, interest rate risk and equity price risk. The following disclosures reflect estimates of future performance and economic conditions. Actual results may differ.

Aon is subject to foreign exchange rate risk associated with translating financial statements of its foreign subsidiaries into U.S. dollars. Additionally, certain of Aon's foreign brokerage subsidiaries receive revenues in currencies that differ from their functional currencies. Aon's primary exposures are associated with the British pound, the Canadian dollar, the Australian dollar and the euro. Aon uses various derivative financial instruments (see note 14) to protect against adverse transaction and translation effects of exchange rate fluctuations. The potential decrease to Aon's consolidated stockholders' equity at December 31, 2001, resulting from a hypothetical 10% adverse change in quoted year-end foreign currency exchange rates, amounts to $163 million and $136 million at December 31, 2001 and 2000, respectively. The impact to 2001 and 2000 pretax income in the event of a hypothetical 10% adverse change in the respective quoted year-end exchange rates would not be material after consideration of derivative positions.

The nature of the income of Aon's businesses is affected by changes in international and domestic short-term interest rates. Aon hedges its net exposure to short-term interest rates with various derivative financial instruments. A hypothetical 1% decrease in interest rates would cause a decrease, net of derivative positions, of $10 million and $11 million to 2001 and 2000 pretax income, respectively.

The valuation of Aon's fixed-maturity portfolio is subject to interest rate risk. A hypothetica l1% increase in long-term interest rates would decrease the fair value of the portfolio at December 31, 2001 and 2000 by approximately $89 million and $103 million, respectively. Aon has long-term notes payable and capital securities outstanding with a fair value of $2.5 billion and $2.6 billion at December 31, 2001 and 2000, respectively. Such fair value was greater than the carrying value by $38 million and less than the carrying value by $10 million at December 31, 2001 and 2000, respectively. A hypothetical 1% decrease in interest rates would increase the fair value by approximately 6% and 10% at December 31, 2001 and 2000, respectively.

The valuation of Aon's marketable equity security portfolio is subject to equity price risk. If market prices were to decrease by 10%, the fair value of the equity portfolio would have a corresponding decrease of $38 million at December 31, 2001 compared to $49 million at December 31, 2000. At December 31, 2001 and 2000, there were no outstanding derivatives hedging the price risk on the equity portfolio.

The selection of the ranges of values chosen to represent changes in foreign currency exchange rates, interest rates and equity market prices should not be construed as Aon's prediction of future market events, but rather an illustration of the impact of such events. The range of changes chosen reflects Aon's view of changes, that are reasonably possible over a one-year period.

The translated value of revenue and expense from Aon's international brokerage and underwriting operations are subject to fluctuations in foreign exchange rates. However, the net impact of these fluctuations on Aon's net income or cash flows has not been material.

In 1999, Aon addressed and implemented system modifications necessary for full conversion to the euro effective January 1, 2002. The costs related to the euro conversion did not have a material impact on Aon's European operations in 2001 or 2000.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| (millions) As of December 31 | 2001 | 2000 |
|---|---|---|
| ASSETS | | |
| INVESTMENTS | | |
| Fixed maturities at fair value | $ 2,149 | $ 2,337 |
| Equity securities at fair value | 382 | 492 |
| Short-term investments | 2,975 | 2,325 |
| Other investments | 640 | 865 |
| Total investments | 6,146 | 6,019 |
| CASH | 439 | 1,118 |
| RECEIVABLES | | |
| Insurance brokerage and consulting services | 7,033 | 6,952 |
| Other receivables | 953 | 1,278 |
| Total receivables (net of allowance for doubtful accounts: 2001-$97; 2000-$92) | 7,986 | 8,230 |
| CURRENT INCOME TAXES | 12 | 20 |
| DEFERRED INCOME TAXES | 582 | 353 |
| DEFERRED POLICY ACQUISITION COSTS | 704 | 656 |
| EXCESS OF COST OVER NET ASSETS PURCHASED (net of accumulated amortization: 2001-$698; 2000-$580) | 3,555 | 3,427 |
| OTHER INTANGIBLE ASSETS (net of accumulated amortization: 2001-$859; 2000-$819) | 529 | 489 |
| OTHER ASSETS | 2,433 | 1,939 |
| TOTAL ASSETS | $ 22,386 | $ 22,251 |

See accompanying notes to consolidated financial statements.

| (millions) As of December 31 | 2001 | 2000 |
|---|---|---|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| INSURANCE PREMIUMS PAYABLE | $ 8,233 | $ 8,212 |
| POLICY LIABILITIES | | |
| Future policy benefits | 1,026 | 1,054 |
| Policy and contract claims | 937 | 801 |
| Unearned and advance premiums and contract fees | 2,214 | 2,053 |
| Other policyholder funds | 813 | 1,069 |
| Total policy liabilities | 4,990 | 4,977 |
| GENERAL LIABILITIES | | |
| General expenses | 1,770 | 1,619 |
| Short-term borrowings | 257 | 309 |
| Notes payable | 1,694 | 1,798 |
| Other liabilities | 1,071 | 1,098 |
| TOTAL LIABILITIES | 18,015 | 18,013 |
| COMMITMENTS AND CONTINGENT LIABILITIES | | |
| REDEEMABLE PREFERRED STOCK | 50 | 50 |
| COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED CAPITAL SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY THE COMPANY'S JUNIOR SUBORDINATED DEBENTURES | 800 | 800 |
| STOCKHOLDERS' EQUITY | | |
| Common stock-$1 par value | | |
| Authorized: 750 shares; issued | 293 | 264 |
| Paid-in additional capital | 1,654 | 706 |
| Accumulated other comprehensive loss | (535) | (377) |
| Retained earnings | 3,077 | 3,127 |
| Treasury stock at cost (shares: 2001-22.5; 2000-3.8) | (786) | (118) |
| Deferred compensation | (182) | (214) |
| TOTAL STOCKHOLDERS' EQUITY | 3,521 | 3,388 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 22,386 | $ 22,251 |

## CONSOLIDATED STATEMENTS OF INCOME

| (millions except per share data) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| REVENUE | | | |
| Brokerage commissions and fees | $ 5,436 | $ 4,946 | $ 4,639 |
| Premiums and other | 2,027 | 1,921 | 1,854 |
| Investment income (note 7) | 213 | 508 | 577 |
| Total revenue | 7,676 | 7,375 | 7,070 |
| EXPENSES | | | |
| General expenses (notes 4, 5 and 15) | 5,813 | 5,190 | 5,214 |
| Benefits to policyholders | 1,111 | 1,037 | 973 |
| Interest expense | 127 | 140 | 105 |
| Amortization of intangible assets | 158 | 154 | 143 |
| Unusual charges-World Trade Center (notes 1 and 15) | 68 | -- | -- |
| Total expenses | 7,277 | 6,521 | 6,435 |
| INCOME BEFORE INCOME TAX, MINORITY INTEREST AND ACCOUNTING CHANGE | 399 | 854 | 635 |
| Provision for income tax (note 9) | 156 | 333 | 243 |
| INCOME BEFORE MINORITY INTEREST AND ACCOUNTING CHANGE | 243 | 521 | 392 |
| Minority interest, net of tax-Company-obligated mandatorily redeemable preferred capital securities (note 11) | (40) | (40) | (40) |
| INCOME BEFORE ACCOUNTING CHANGE | 203 | 481 | 352 |
| Cumulative effect of change in accounting principle, net of tax (note 1) | -- | (7) | -- |
| NET INCOME | $ 203 | $ 474 | $ 352 |
| NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS | $ 200 | $ 471 | $ 349 |
| BASIC NET INCOME PER SHARE: | | | |
| Before accounting change | $ 0.74 | $ 1.84 | $ 1.35 |
| Cumulative effect of change in accounting principle | -- | (0.03) | -- |
| Basic net income per share | $ 0.74 | $ 1.81 | $ 1.35 |
| DILUTIVE NET INCOME PER SHARE: | | | |
| Before accounting change | $ 0.73 | $ 1.82 | $ 1.33 |
| Cumulative effect of change in accounting principle | -- | (0.03) | -- |
| Dilutive net income per share | $ 0.73 | $ 1.79 | $ 1.33 |
| CASH DIVIDENDS PER SHARE PAID ON COMMON STOCK | $ 0.895 | $ 0.87 | $ 0.82 |
| DILUTIVE AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING | 272.4 | 263.0 | 262.7 |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income | $ 203 | $ 474 | $ 352 |
| Adjustments to reconcile net income to cash provided by operating activities | | | |
| Cumulative effect of change in accounting principle, net of tax | -- | 7 | -- |
| Insurance operating assets and liabilities, net of reinsurance | (45) | 46 | 91 |
| Amortization of intangible assets | 158 | 154 | 143 |
| Depreciation and amortization of property, equipment and software | 181 | 179 | 187 |
| Income taxes | (63) | 145 | (106) |
| Special and unusual charges and purchase accounting liabilities (notes 4, 5 and 15) | (31) | (57) | 160 |
| Valuation changes on investments and income on disposals | 158 | (66) | (134) |
| Other receivables and liabilities-net | (2) | (143) | (231) |
| CASH PROVIDED BY OPERATING ACTIVITIES | 559 | 739 | 462 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Sale of investments | | | |
| Fixed maturities | | | |
| Maturities | 120 | 100 | 80 |
| Calls and prepayments | 100 | 129 | 160 |
| Sales | 1,220 | 400 | 1,152 |
| Equity securities | 379 | 253 | 461 |
| Other investments | 272 | 281 | 114 |
| Purchase of investments | | | |
| Fixed maturities | (1,112) | (455) | (959) |
| Equity securities | (227) | (148) | (385) |
| Other investments | (347) | (436) | (357) |
| Short-term investments-net | (633) | 3 | (93) |
| Acquisition of subsidiaries | (107) | (85) | (395) |
| Property and equipment and other-net | (281) | (179) | (271) |
| CASH USED BY INVESTING ACTIVITIES | (616) | (137) | (493) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Treasury stock transactions-net | 49 | (59) | (66) |
| Issuance (repayment) of short-term borrowings-net | (395) | 11 | 408 |
| Issuance of long-term debt | 400 | 250 | 250 |
| Repayment of long-term debt | (148) | (70) | (100) |
| Interest sensitive, annuity and investment-type contracts | | | |
| Deposits | 20 | 218 | 444 |
| Withdrawals | (305) | (437) | (574) |
| Cash dividends to stockholders | (241) | (226) | (210) |
| CASH PROVIDED (USED) BY FINANCING ACTIVITIES | (620) | (313) | 152 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | (2) | (8) | (7) |
| INCREASE (DECREASE) IN CASH | (679) | 281 | 114 |
| CASH AT BEGINNING OF YEAR | 1,118 | 837 | 723 |
| CASH AT END OF YEAR | $ 439 | $ 1,118 | $ 837 |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| COMMON STOCK Balance at January 1 | $ 264 | $ 259 | $ 172 |
| Effect of three-for-two stock split | -- | -- | 86 |
| Issued for business combinations | 28 | 4 | 1 |
| Issued for employee benefit plans | 1 | 1 | -- |
| | 293 | 264 | 259 |
| PAID-IN ADDITIONAL CAPITAL Balance at January 1 | 706 | 525 | 450 |
| Effect of three-for-two stock split | -- | -- | (86) |
| Business combinations (notes 4 and 11) | 952 | 141 | 47 |
| Employee benefit plans | (4) | 40 | 114 |
| | 1,654 | 706 | 525 |
| ACCUMULATED OTHER COMPREHENSIVE LOSS Balance at January 1 | (377) | (309) | (116) |
| Cumulative effect of change in accounting principle related to derivatives (note 1) | -- | 3 | -- |
| Net derivative gains (losses) | (6) | 3 | -- |
| Net unrealized investment gains (losses) | 30 | 49 | (199) |
| Net foreign exchange losses | (58) | (115) | (54) |
| Net additional minimum pension liability adjustment | (124) | (8) | 60 |
| Other comprehensive loss | (158) | (68) | (193) |
| | (535) | (377) | (309) |
| RETAINED EARNINGS Balance at January 1 | 3,127 | 2,905 | 2,782 |
| Net income | 203 | 474 | 352 |
| Dividends to stockholders | (241) | (226) | (210) |
| Loss on treasury stock reissued | (10) | (24) | (18) |
| Employee benefit plans | (2) | (2) | (1) |
| | 3,077 | 3,127 | 2,905 |
| TREASURY STOCK Balance at January 1 | (118) | (90) | (58) |
| Cost of shares acquired-non-cash exchange (notes 4 and 11) | (783) | -- | -- |
| Cost of shares acquired | (5) | (102) | (105) |
| Shares reissued at average cost | 120 | 74 | 73 |
| | (786) | (118) | (90) |
| DEFERRED COMPENSATION Balance at January 1 | (214) | (239) | (213) |
| Net issuance of stock awards | (3) | (7) | (73) |
| Debt guarantee of employee stock ownership plan | -- | -- | 17 |
| Amortization of deferred compensation | 35 | 32 | 30 |
| | (182) | (214) | (239) |
| STOCKHOLDERS' EQUITY AT DECEMBER 31 | $ 3,521 | $ 3,388 | $ 3,051 |
| COMPREHENSIVE INCOME | | | |
| NET INCOME | $ 203 | $ 474 | $ 352 |
| OTHER COMPREHENSIVE LOSS (NOTE 3) | (158) | (68) | (193) |
| COMPREHENSIVE INCOME | $ 45 | $ 406 | $ 159 |

See accompanying notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND PRACTICES

PRINCIPLES OF CONSOLIDATION. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States, and include the accounts of Aon Corporation and its subsidiaries (Aon). These statements include informed estimates and assumptions that affect the amounts reported. Actual results could differ from the amounts reported. All material intercompany accounts and transactions have been eliminated.

BROKERAGE COMMISSIONS AND FEES. In general, commission income is recognized at the later of the billing or effective date of the related insurance policies, net of an allowance for estimated policy cancellations. Certain life insurance commissions, commissions on premiums billed directly by insurance companies and certain other carrier compensation are generally recognized as income when received. Commissions on premium adjustments are recognized as they occur. Fees for claims services, benefit consulting, reinsurance services and other services are recognized when the services are rendered.

PREMIUM REVENUE. In general, for accident and health and extended warranty products, premiums collected are reported as earned in proportion to insurance protection provided over the period covered by the policies. For life products, premiums are recognized as revenue when due.

For universal life-type and investment products, generally there is no requirement for payment of premium other than to maintain account values at a level sufficient to pay mortality and expense charges. Consequently, premiums for universal life-type policies and investment products are not reported as revenue, but as deposits. Policy fee revenue for universal life-type policies and investment products consists of charges for the cost of insurance, policy administration and surrenders assessed during the period. Expenses include interest credited to policy account balances and benefit claims incurred in excess of policy account balances.

UNUSUAL CHARGES-WORLD TRADE CENTER. On September 11, 2001, the World Trade Center was destroyed. Aon occupied space on several of the higher floors of one of the towers, where employees from various operations worked. Tragically, 175 employees are either confirmed or presumed dead. In 2001, Aon incurred $275 million of expenses (before insurance and reinsurance recoveries) related to this event. These costs include $192 million of insurance benefits paid by Aon's Combined Insurance Company of America subsidiary (CICA) under life insurance policies issued for the benefit of deceased employees, and is partially offset by reinsurance recoveries of $147 million. Reinsurers have disputed their liability as to approximately $90 million of reinsurance recoveries under a Business Travel Accident (BTA) policy issued by CICA to cover U.S.-based employees of subsidiaries of Aon, and legal actions have been filed by both parties. If there are adverse developments in legal proceedings related to the BTA policy, CICA could be financially responsible for some or all of the $90 million of anticipated reinsurance recoveries. Other costs incurred were $33 million of destroyed assets at book value and $50 million for salaries and benefits for victims and other costs. Partially offsetting these other costs are estimated insurance recoveries of $60 million. Some further costs and insurance recoveries, including estimated proceeds from Aon's business interruption policies, are expected during 2002. In 2001, Aon recorded a pretax charge of $68 million ($41 million after-tax or $0.15 per diluted share), which is net of estimated insurance and reinsurance recoveries of $207 million.

REINSURANCE. Reinsurance premiums, commissions and expense reimbursements on reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums and benefits to policyholders ceded to other companies have been reported as a reduction of premium revenue and benefits to policyholders. Expense reimbursements received in connection with reinsurance ceded have been accounted for as a reduction of the related policy acquisition costs or, to the extent such reimbursements exceed the related acquisition costs, as other revenue. Reinsurance receivables and prepaid reinsurance premium amounts are reported as assets.

STOCK COMPENSATION PLANS. Aon applies Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations in accounting for its stock-based compensation plans. Accordingly, no compensation expense has been recognized for its stock option plan as the exercise price of the options equaled the market price of the stock at the date of grant. Compensation expense has been recognized for stock awards issued based on the market price at the date of the award.

INCOME TAX. Deferred income tax has been provided for the effects of temporary differences between financial reporting and tax bases of assets and liabilities and has been measured

using the enacted marginal tax rates and laws that are currently in effect.

INCOME PER SHARE. Basic income per share is computed based on the weighted-average number of common shares outstanding, excluding any dilutive effects of options and awards. Net income available for common stockholders is net of all preferred dividends. Dilutive income per share is computed based on the weighted-average number of common shares outstanding plus the dilutive effect of options and awards. The dilutive effect of options and awards is calculated under the treasury stock method using the average market price for the period. Income per share is calculated as follows:

| (millions except per share data) | 2001 | 2000 | 1999 |
|---|---|---|---|
| Net income | $ 203 | $ 474 | $ 352 |
| Redeemable preferred stock dividends | (3) | (3) | (3) |
| Net income available for common stockholders | $ 200 | $ 471 | $ 349 |
| Basic shares outstanding | 269 | 260 | 259 |
| Common stock equivalents | 3 | 3 | 4 |
| Dilutive potential common shares | 272 | 263 | 263 |
| Net income per share: | | | |
| Basic | $ 0.74 | $ 1.81 | $ 1.35 |
| Dilutive | $ 0.73 | $ 1.79 | $ 1.33 |

INVESTMENTS. Fixed-maturity securities are available for sale and are carried at fair value. The amortized cost of fixed maturities is adjusted for amortization of premiums and the accretion of discounts to maturity that are included in investment income. Marketable equity securities that are held directly are carried at fair value. Unrealized gains and temporary unrealized losses on fixed maturities and directly-held equity securities are excluded from income and are recorded directly to stockholders' equity in accumulated other comprehensive income or loss, net of deferred income taxes. Mortgage loans and policy loans are generally carried at cost or unpaid principal balance. Private equity investments are generally carried at cost, which approximates fair value, except where Aon has significant influence, in which case they are carried under the equity method. See note 2, Spin-Off of Underwriting Business, for additional disclosure of equity method investments.

Limited partnership investments are carried under the equity method. Certain of the limited partnerships in which Aon invests have holdings in publicly-traded equities. Changes in market value of these indirectly-held equities flow through the limited partnerships' financial statements. Aon's ownership share of these valuation changes is included in Aon's Corporate and Other segment revenue. On December 31, 2001, Aon securitized $450 million of limited partnership investments, plus associated limited partnership commitments, via a sale to Private Equity Partnership Structures I, LLC (PEPS
I). Aon received $171 million in cash plus $279 million of newly-issued securities of PEPS I.

The underlying equity in the limited partnerships was the basis for determining the fair value of the cash and securities received in the securitization. No significant management assumptions were used in determining the fair value of the cash and securities received in the securitization. At December 31, 2001, a 10% or 20% decrease in the underlying equity of the limited partnerships would have resulted in a decrease in the securities received by $45 million and $90 million, respectively.

Income or loss on disposal of any securities held in the portfolio is computed using specific costs of securities sold and reported as investment income in the consolidated statements of income.

Investments that have declines in fair value below cost, which are judged to be other than temporary, are written down to estimated fair values. Reserves for certain other investments are established based on an evaluation of the respective investment portfolio and current economic conditions. Writedowns and changes in reserves are included in investment income in the consolidated statements of income. In general, Aon ceases to accrue investment income where interest or dividend payments are in arrears.

Accounting policies relating to derivative financial instruments are discussed in note 14.

DEFERRED POLICY ACQUISITION COSTS. Costs of acquiring new and renewal insurance underwriting business, principally the excess of new commissions over renewal commissions, underwriting and sales expenses that vary with and are primarily related to the production of new business, are deferred and reported as assets. For long-duration life and health products, amortization of deferred policy acquisition costs is related to and based on the expected premium revenues of the policies. In general, amortization is adjusted to reflect current withdrawal experience. Expected premium revenues are estimated by using the same assumptions used in estimating future policy benefits. For extended warranty and short-duration health insurance, costs of acquiring and renewing business are deferred and amortized as the related premium and contract fees are earned.

INTANGIBLE ASSETS. In general, the excess of cost over net assets purchased relating to business acquisitions has been amortized into income over periods not exceeding 40 years

using the straight-line method, with a weighted-average life of 35 years. Goodwill related to acquisitions made after June 30, 2001 has not been amortized. Beginning January 2002, goodwill will not be amortized but instead tested for impairment under new authoritative guidance on business combinations and goodwill. See Accounting and Disclosure Changes (note 1) for further information. The cost of other intangible assets is being amortized over a range of 4 to 25 years with a weighted-average life of 18 years.

In the unexpected event of a significant deterioration in profitability that is projected to be recurring, Aon would assess the recoverability of its intangible assets through an analysis of expected future cash flows.

PROPERTY AND EQUIPMENT. Property and equipment, reported in other assets, are generally depreciated using the straight-line method over their estimated useful lives. Included in this category is internal use software, which is software that is acquired, internally developed or modified solely to meet internal needs, with no plan to market externally. Costs related to directly obtaining, developing or upgrading internal use software are capitalized. These costs are generally amortized using the straight-line method over a range of 2 to 8 years. The weighted-average life of Aon's software at December 31, 2001 is 5.1 years.

FAIR VALUE OF FINANCIAL INSTRUMENTS. The following methods and assumptions were used to estimate fair values for financial instruments. The carrying amounts in the consolidated statements of financial position for cash and cash equivalents, including short-term investments, approximate their fair value. Fair value for fixed-maturity and equity securities is based on quoted market prices or, if they are not actively traded, on estimated values obtained from independent pricing services. Fair value of derivative financial instruments is based on quoted prices for exchange-traded instruments or the cost to terminate or offset with other contracts.

Other investments are composed of mortgage loans, policy loans, private equity investments, limited partnerships and Aon's investment in Endurance Specialty Insurance, Ltd. (note 2). The fair value for mortgage loans and policy loans is estimated using discounted cash flow analysis, using interest rates currently being offered for similar loans to borrowers with similar credit ratings. It is generally not practical to estimate the fair value of private equity investments and limited partnerships without incurring excessive costs.

Fair value for liabilities for investment-type contracts is estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. The fair value for notes payable is based on quoted market prices for the publicly-traded portion and on estimates using discounted cash flow analyses based on current borrowing rates for similar types of borrowing arrangements for the nonpublicly-traded portion.

FUTURE POLICY BENEFITS, POLICY AND CONTRACT CLAIMS, UNEARNED PREMIUMS AND CONTRACT FEES. Future policy benefit liabilities on non-universal life and accident and health products have been provided on the net level premium method. The liabilities are calculated based on assumptions as to investment yield, mortality, morbidity and withdrawal rates that were determined at the date of issue and provide for possible adverse deviations. Interest assumptions are graded and range from 4.5% to 7.0% at December 31, 2001. Withdrawal assumptions are based principally on insurance subsidiaries' experience and vary by plan, year of issue and duration.

Policyholder liabilities on universal life and investment products are generally based on policy account values. Interest credit rates for these products range from 5.0% to 8.1%.

Policy and contract claim liabilities represent estimates for reported claims, as well as provisions for losses incurred, but not yet reported. These claim liabilities are based on historical experience and are estimates of the ultimate amount to be paid when the claims are settled. Changes in the estimated liability are reflected in income as the estimates are revised.

Unearned premiums and contract fees generally are calculated using the pro rata method based on gross premiums. However, in the case of extended warranty products, the unearned premiums and contract fees are calculated such that the premiums and contract fees are earned over the period of risk in a reasonable relationship to anticipated claims.

FOREIGN CURRENCY TRANSLATION. In general, foreign revenues and expenses are translated at average exchange rates. Foreign assets and liabilities are translated at year-end exchange rates. Net foreign exchange gains and losses on translation are generally reported in stockholders' equity, in accumulated other comprehensive income or loss, net of deferred income tax. The effect of transaction gains and losses on the consolidated statements of income is insignificant for all periods presented.

ACCOUNTING AND DISCLOSURE CHANGES. As of October 1, 2000, the Company adopted Financial Accounting Standards Board (FASB) Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (Statement No. 133), as amended. The adoption of Statement No. 133 resulted in a $5 million cumu-

lative effect of a change in accounting principle before applicable income taxes of $2 million and was recognized as an increase to accumulated other comprehensive loss (note 3) in the consolidated statement of stockholders' equity for the year ended December 31, 2000. The adoption of Statement No. 133 did not have a material effect on net income for the year ended December 31, 2000. Refer to note 14 for a description of accounting policies relating to derivative financial instruments.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 101, which provides guidance for applying generally accepted accounting principles relating to the timing of revenue recognition in financial statements filed with the SEC. Effective January 1, 2000, in accordance with the provisions of SAB No. 101, Aon established a provision for estimated returned commissions from policy cancellations. In 1999 and previous years, Aon recognized returned commissions when they occurred. The cumulative effect of this accounting change was an after-tax charge of $7 million or $0.03 per share in the first quarter of 2000. Previously reported results for the remaining quarters of 2000 were not impacted by this accounting change. Pro forma results for 1999 are not materially different from previously reported results.

In September 2000, the FASB issued Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. Statement No. 140 replaces Statement No. 125 and revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures. Statement No. 140 became effective for all transfers of financial assets occurring after March 31, 2001. Implementation of Statement No. 140 did not have a material impact on the consolidated financial statements.

In June 2001, the FASB issued Statement No. 141, Business Combinations, and Statement No. 142, Goodwill and Other Intangible Assets. Statement No. 141 superceded Accounting Principles Board (APB) Opinion No. 16, and amended or superceded a number of interpretations of APB No. 16. Certain purchase accounting guidance in APB No. 16, as well as certain of its amendments and interpretations, have been carried forward. The statement eliminated the pooling of interests method of accounting for business combinations. It also changed the criteria to recognize intangible assets apart from goodwill. The requirements of Statement No. 141 were effective for any business combination accounted for by the purchase method that was completed after June 30, 2001. Statement No. 142 supercedes APB No. 17. Under Statement No. 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed annually, or more frequently if impairment indicators arise, for impairment. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The amortization provisions of Statement No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill acquired prior to July 1, 2001, amortization will be discontinued effective as of January 1, 2002. Based on an evaluation of goodwill as of December 31, 2001, no goodwill impairment will occur from the adoption of Statement No. 142. Reported goodwill amortization was $118 million, $114 million and $102 million for the years ended December 31, 2001, 2000 and 1999, respectively.

In accordance with Statement No. 141, other intangible assets which resulted from acquisitions made prior to July 1, 2001, that do not meet the criteria for recognition apart from goodwill (as defined by Statement No. 141) are to be classified as goodwill upon adoption. Aon has begun its analysis of these other intangible assets. As of December 31, 2001, Aon has determined that, at a minimum, approximately one-half of these intangibles will be classified as goodwill as of January 1, 2002. Reported amortization expense for all other intangibles was $40 million, $40 million and $41 million for the years ended December 31, 2001, 2000 and 1999, respectively.

In August 2001, the FASB issued Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Statement No. 144 supercedes Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and provides new rules on asset impairment and a single accounting model for long-lived assets to be disposed of. Although retaining many of the fundamental recognition and measurement provisions of Statement No. 121, the new rules significantly change the criteria that would have to be met to classify an asset as held-for-sale. The new rules also supercede the provisions of APB No. 30, Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, with regard to reporting the effects of a disposal of a segment of a business and require expected future operating losses from discontinued operations to be displayed in discontinued operations in the period(s) in which the losses are incurred. Statement No. 144 is effective January 1, 2002. This statement is not expected to have a material impact on Aon's consolidated financial statements.

RECLASSIFICATION. Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the 2001 presentation.

## 2. SPIN-OFF OF UNDERWRITING BUSINESS

On April 20, 2001, Aon's Board of Directors approved, in principle, a plan to spin off its current underwriting business to Aon's common stockholders, creating two independent, publicly-traded companies. The spin-off is expected to take the form of a tax-free stock dividend to Aon's common stockholders, pending a favorable Internal Revenue Service (IRS) ruling. The transaction is subject to final Board approval, a favorable IRS ruling and certain insurance regulatory approvals. The spin-off company will be named Combined Specialty Corporation (CSC). The spin-off is currently expected to be completed by spring 2002. In October 2001, Aon announced that it will be expanding its insurance underwriting business to include direct property and casualty insurance policies. These coverages will be provided through the operations intended to become part of CSC and may require the raising of additional capital.

In November 2001, Aon announced that it would cosponsor a new Bermuda-based insurance and reinsurance company with total initial capitalization of $1.2 billion to provide additional underwriting capacity to commercial property and casualty insurance and reinsurance clients. Aon's investment in Endurance Specialty Insurance Ltd. (Endurance), was funded in December 2001 with $227 million of operating cash generated by the underwriting subsidiaries and will be spun off as part of CSC. The investment in Endurance is carried under the equity method and is included in Other Investments in the December 31, 2001 consolidated statement of financial position.

## 3. OTHER COMPREHENSIVE LOSS

The components of other comprehensive loss and the related tax effects are as follows:

| (millions) Years ended December 31 | 2001 | | | 2000 | | | 1999 | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMOUNT BEFORE TAXES | INCOME TAX (EXPENSE) BENEFIT | AMOUNT NET OF TAXES | Amount Before Taxes | Income Tax (Expense) Benefit | Amount Net of Taxes | Amount Before Taxes | Income Tax (Expense) Benefit | Amount Net of Taxes |
| Cumulative effect of change in accounting principle related to derivatives | $ -- | $ -- | $ -- | $ 5 | $ (2) | $ 3 | $ -- | $ -- | $ -- |
| Net derivative losses arising during the year | (6) | 2 | (4) | -- | -- | -- | -- | -- | -- |
| Net derivative gains arising during fourth quarter 2000 | -- | -- | -- | 4 | (1) | 3 | -- | -- | -- |
| Reclassification adjustment | (4) | 2 | (2) | -- | -- | -- | -- | -- | -- |
| Net derivative gains (losses) | (10) | 4 | (6) | 9 | (3) | 6 | -- | -- | -- |
| Unrealized holding gains (losses) arising during the year | (9) | 3 | (6) | 45 | (14) | 31 | (263) | 92 | (171) |
| Reclassification adjustment | 59 | (23) | 36 | 26 | (8) | 18 | (45) | 17 | (28) |
| Net unrealized investment gains (losses) | 50 | (20) | 30 | 71 | (22) | 49 | (308) | 109 | (199) |
| Net foreign exchange losses | (95) | 37 | (58) | (188) | 73 | (115) | (89) | 35 | (54) |
| Net additional minimum pension liability adjustment | (203) | 79 | (124) | (13) | 5 | (8) | 95 | (35) | 60 |
| Total other comprehensive loss | $ (258) | $ 100 | $ (158) | $ (121) | $ 53 | $ (68) | $ (302) | $ 109 | $ (193) |

The components of accumulated other comprehensive loss, net of related tax, are as follows:

| (millions) As of December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Net derivative gains | $ -- | $ 6 | $ -- |
| Net unrealized investment losses | (42) | (72) | (121) |
| Net foreign exchange losses | (325) | (267) | (152) |
| Net additional minimum pension liability | (168) | (44) | (36) |
| Accumulated other comprehensive loss | $ (535) | $ (377) | $ (309) |

## 4. BUSINESS COMBINATIONS

ACQUISITIONS. In 2001, Aon acquired ASI Solutions Incorporated (ASI), a worldwide provider of human resource outsourcing and compensation consulting services, and First Extended, Inc. (FEI), an underwriter and administrator of automotive extended warranty products, and certain other insurance brokerage and consulting operations. FEI will be spun off as part of CSC. In these transactions, Aon paid an aggregate of approximately $107 million in cash and $197 million in common stock. Internal funds, short-term borrowings and common stock financed the acquisitions. Excess of cost over net assets purchased of approximately $282 million and other intangible assets of approximately $72 million, accounted for on a preliminary basis, resulted from these acquisitions.

In July 2001, Aon acquired the common stock of two entities controlled by Aon's Chairman and Chief Executive Officer. The acquisition was financed by the issuance of approximately 22.4 million shares of Aon common stock. The two acquired entities owned, in the aggregate, approximately 22.4 million shares of Aon common stock, which are included in treasury stock, and had additional net assets, net of expenses, totaling $5 million. This transaction did not have a material effect on Aon's total assets, liabilities or stockholders' equity.

In 2000, Aon acquired Actuarial Sciences Associates, Inc., Horizon Consulting Group, Inc., and certain other insurance brokerage and consulting operations for approximately $85 million in cash and $145 million in common stock. Internal funds, short-term borrowings and common stock financed the acquisitions. Excess of cost over net assets purchased of approximately $225 million resulted from these acquisitions.

In 1999, Aon acquired The Nikols Group, Presidium Holdings, Inc., Societe Generale d'Assurance et de Prevoganie, and certain other insurance brokerage and consulting operations for approximately $440 million. Aon also acquired insurance underwriting blocks of business for $50 million. The purchase accounting for these acquisitions was finalized in 2000. The acquisitions were financed by internal funds, short-term borrowings and common stock. Excess of cost over net assets purchased of approximately $500 million resulted from these acquisitions.

The results of operations of these acquisitions, all of which were accounted for by the purchase method, are included in the consolidated financial statements from the dates they were acquired. Pro forma results of these acquisitions are not materially different from reported results.

In accordance with a 1992 purchase agreement, securities with a value of $41 million are being held pursuant to an escrow agreement (as amended). The escrowed securities are scheduled to be released on a pre-determined basis through 2007.

RESTRUCTURING CHARGES. In 2001, Aon made payments of $24 million on restructuring charges and purchase accounting liabilities related to business combinations.

In 1999 and 1998, Aon recorded charges of $120 million and $70 million, respectively, for a plan to restructure Aon's operations as a result of business combination activity and finalization of the purchase accounting for the 1997 Jauch & Hubener acquisition. These charges primarily related to termination benefits of $107 million, related pension expense of $32 million, lease abandonments and other costs to exit an activity of $41 million and asset impairments of $10 million. Termination of approximately 1,000 individuals occurred as a result of these plans. As of December 31, 2001, these

liabilities have been reduced to termination benefits of $2 million and lease abandonments of $1 million.

In 1996 and 1997, Aon recorded pretax special charges of $60 million and $145 million, respectively, related to management's commitment to a formal plan of restructuring Aon's brokerage operations as a result of the acquisition of Alexander & Alexander Services, Inc. (A&A). Also in 1997, following management's commitment to a formal plan of restructuring the A&A and Bain Hogg brokerage operations, Aon recorded $264 million in costs to restructure those acquisitions. Together, these costs were primarily related to termination benefits of $152 million, lease abandonments and other exit costs of $280 million and asset impairments of $37 million relating to the abandonment of systems and real estate space. All termination benefits have been paid. The remaining liability of $58 million is for lease abandonments and other exit costs, and is being paid out over several years as planned.

The following table sets forth the activity related to these liabilities:

(millions)

| | |
|---|---|
| Balance at December 31, 1998 | $ 155 |
| Cash payments in 1999 | (52) |
| Charge to expense in 1999 | 2 |
| Balance at December 31, 1999 | 105 |
| Cash payments in 2000 | (25) |
| Charge to expense in 2000 | 4 |
| Foreign currency revaluation | (6) |
| Balance at December 31, 2000 | 78 |
| CASH PAYMENTS IN 2001 | (19) |
| FOREIGN CURRENCY REVALUATION | (1) |
| BALANCE AT DECEMBER 31, 2001 | $ 58 |

All of Aon's unpaid liabilities relating to acquisitions are reflected in general expense liabilities in the consolidated statements of financial position.

## 5. BUSINESS TRANSFORMATION PLAN

In fourth quarter 2000, Aon announced a formal plan of restructuring Aon's worldwide operations. This plan constitutes the "business transformation plan" and will continue into 2002. Costs of the plan include special charges and transition costs. Pretax charges of $218 million and $82 million were recorded in 2001 and 2000, respectively, and are recorded in general expenses in the consolidated statements of income. The special charges included costs related to termination benefits of $163 million, other costs to exit an activity of $27 million and other charges of $110 million primarily relating to costs for the abandonment of systems and equipment, as well as to end Aon's involvement in certain joint ventures and service partner relationships that did not meet profitability hurdles.

The following table sets forth the activity related to the liability for termination benefits and other costs to exit an activity:

| (millions) | Termination Benefits | Other Costs to Exit an Activity | Total |
|---|---|---|---|
| Expense charged in 2000 | $ 54 | $ 6 | $ 60 |
| Cash payments in 2000 | (13) | (3) | (16) |
| Balance at December 31, 2000 | 41 | 3 | 44 |
| EXPENSE CHARGED IN 2001 | 109 | 21 | 130 |
| CASH PAYMENTS IN 2001 | (73) | (20) | (93) |
| FOREIGN CURRENCY REVALUATION | (2) | -- | (2) |
| BALANCE AT DECEMBER 31, 2001 | $ 75 | $ 4 | $ 79 |

Approximately 4,000 employees have either departed voluntarily or have positions that have been eliminated. Most of the terminations have occurred and are related to the Insurance Brokerage and Other Services segment in the U.S. and the U.K.

All of Aon's unpaid liabilities relating to the business transformation plan are reflected in general expense liabilities in the consolidated

statements of financial position.

## 6. DISCONTINUED OPERATIONS

Prior to its acquisition by Aon, A&A discontinued its property and casualty insurance underwriting operations in 1985, some of which were then placed into run-off, with the remainder sold in 1987. In connection with those sales, A&A provided indemnities to the purchaser for various estimated and potential liabilities, including provisions to cover future losses attributable to insurance pooling arrangements, a stop-loss reinsurance agreement and actions or omissions by various underwriting agencies previously managed by an A&A subsidiary.

As of December 31, 2001, the liabilities associated with the foregoing indemnities were included in other liabilities in the consolidated statements of financial position. Such liabilities amounted to $117 million, net of reinsurance recoverables and other assets of $153 million. In January 2002, Aon settled certain of these liabilities. The settlement had no material effect on the consolidated financial statements.

The insurance liabilities represent estimates of known and future claims expected to be settled over the next 20 to 30 years, principally with regards to asbestos, pollution and health hazard exposures.

Although these insurance liabilities represent a best estimate of the probable liabilities, adverse developments may occur given the nature of the information available and the variables inherent in the estimation processes. Based on current estimates, management believes that the established liabilities of discontinued operations are sufficient.

## 7. INVESTMENTS

The components of investment income are as follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Short-term investments | $ 191 | $ 214 | $ 173 |
| Fixed maturities: | | | |
| Interest income | 137 | 172 | 195 |
| Income on disposals | 37 | 13 | 52 |
| Losses on disposals | (21) | (12) | (13) |
| Total | 153 | 173 | 234 |
| Equity securities: | | | |
| Dividend income | 25 | 31 | 42 |
| Income on disposals | 13 | 28 | 18 |
| Losses on disposals | (37) | (9) | (11) |
| Total | 1 | 50 | 49 |
| Limited partnerships-equity earnings | (94) | 73 | 60 |
| Other investments: | | | |
| Interest, dividend and other income | 10 | 11 | 19 |
| Income (losses) on disposals | (41) | (5) | 48 |
| Total | (31) | 6 | 67 |
| Gross investment income | 220 | 516 | 583 |
| Less: investment expenses | 7 | 8 | 6 |
| Investment income | $ 213 | $ 508 | $ 577 |

The components of net unrealized losses are as follows:

| (millions) As of December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Fixed maturities | $ (28) | $ (45) | $ (100) |
| Equity securities | (43) | (72) | (88) |
| Other investments | 4 | -- | -- |
| Deferred tax credit | 25 | 45 | 67 |
| Net unrealized investment losses | $ (42) | $ (72) | $ (121) |

The pretax changes in net unrealized investment gains (losses) are as follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Fixed maturities | $ 17 | $ 55 | $ (208) |
| Equity securities | 29 | 16 | (100) |
| Other investments | 4 | -- | -- |
| Total | $ 50 | $ 71 | $ (308) |

The amortized cost and fair value of investments in fixed maturities and equity securities are as follows:

| (millions) As of December 31, 2001 | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| U.S. government and agencies | $ 355 | $ 8 | $ (2) | $ 361 |
| States and political subdivisions | 3 | -- | -- | 3 |
| Foreign governments | 515 | 8 | (2) | 521 |
| Corporate securities | 1,243 | 14 | (54) | 1,203 |
| Mortgage-backed securities | 42 | -- | -- | 42 |
| Other fixed maturities | 19 | -- | -- | 19 |
| Total fixed maturities | 2,177 | 30 | (58) | 2,149 |
| Total equity securities | 425 | 6 | (49) | 382 |
| Total | $ 2,602 | $ 36 | $ (107) | $2,531 |

| (millions) As of December 31, 2000 | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| U.S. government and agencies | $ 189 | $ 5 | $ (1) | $ 193 |
| States and political subdivisions | 8 | -- | -- | 8 |
| Foreign governments | 722 | 16 | (3) | 735 |
| Corporate securities | 1,407 | 9 | (71) | 1,345 |
| Mortgage-backed securities | 32 | -- | -- | 32 |
| Other fixed maturities | 24 | -- | -- | 24 |
| Total fixed maturities | 2,382 | 30 | (75) | 2,337 |
| Total equity securities | 564 | 20 | (92) | 492 |
| Total | $ 2,946 | $ 50 | $ (167) | $2,829 |

The amortized cost and fair value of fixed maturities by contractual maturity are as follows:

| (millions) As of December 31, 2001 | Amortized Cost | Fair Value |
|---|---|---|
| Due in one year or less | $ 200 | $ 202 |
| Due after one year through five years | 844 | 845 |
| Due after five years through ten years | 519 | 509 |
| Due after ten years | 572 | 551 |
| Mortgage-backed securities | 42 | 42 |
| Total fixed maturities | $ 2,177 | $ 2,149 |

Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Securities on deposit for regulatory authorities as required by law, all relating to the insurance underwriting subsidiaries, amounted to $259 million at December 31, 2001 and $311 million at December 31, 2000. As required by the by-laws of Lloyd's brokers, cash and short-term investments subject to floating charges for the benefit of insurance creditors amounted to $1.0 billion at December 31, 2000. In 2001, regulatory supervision has been transferred from Lloyd's to the General Insurance Standards Council, which does not apply such charges. Aon maintains premium trust bank accounts for premiums collected from insureds but not yet remitted to insurance companies of $2.3 billion and $1.3 billion at December 31, 2001 and 2000, respectively.

At December 31, 2001 and 2000, Aon had $25 million and $66 million, respectively, of non-income producing investments.

## 8. DEBT AND LEASE COMMITMENTS

NOTES PAYABLE. The following is a summary of notes payable:

| (millions) As of December 31 | 2001 | 2000 |
|---|---|---|
| Commercial paper | $ 254 | $ 600 |
| 6.2% debt securities, due January 2007 | 250 | -- |
| 8.65% debt securities, due May 2005 | 250 | 250 |
| 6.9% debt securities, due July 2004 | 250 | 250 |
| 6.3% debt securities, due January 2004 | 100 | 100 |
| 6.7% debt securities, due June 2003 | 150 | 150 |
| LIBOR +1% debt securities (2.9% at December 31, 2001), due January 2003 | 150 | -- |
| 7.4% debt securities, due October 2002 | 100 | 100 |
| Euro credit facility, due June 2003 with interest at 4% to 5% | 87 | 225 |
| Notes payable, due in varying installments, with interest at 4.6% to 10% | 103 | 123 |
| Total notes payable | $ 1,694 | $ 1,798 |

Commercial paper borrowings of $254 million at December 31, 2001 and $600 million at December 31, 2000 have been included in notes payable based on Aon's intent and ability to maintain or refinance these obligations on a long-term basis through 2005.

In December 2001, Aon issued $150 million of debt securities with a floating interest rate of LIBOR +1% due January 2003 and $250 million of 6.2% debt securities due January 2007. This debt was not registered under the Securities Act of 1933. It was sold to qualified buyers under Rule 144A of the Securities Act and the net proceeds were used to reduce short-term borrowings.

In May 1999, Aon filed a universal shelf registration on Form S-3 with the SEC for the issuance of $500 million of debt and equity securities. In a 1999 public offering based on the shelf registration, Aon issued $250 million of 6.9% debt securities due July 2004. In May 2000, Aon filed a prospectus supplement to use the remaining $250 million of its May 1999 universal shelf registration and issued $250 million of 8.65% debt securities due May 2005. The net proceeds from the sale of the 8.65% notes were used for general corporate purposes, including securities repurchase programs, capital expenditures, working capital, repayment or reduction of long-term notes payable and short-term borrowings and the financing of acquisitions.

Interest is payable semi-annually on most debt securities. In addition, the debt securities are not redeemable by Aon prior to maturity and contain no sinking fund provisions. Maturities of notes payable are $131 million, $555 million, $423 million, $250 million and $85 million in 2002, 2003, 2004, 2005 and 2006, respectively.

In September 2001, Aon entered into a new committed bank credit facility under which certain European subsidiaries can borrow up to EUR 500 million. At December 31, 2001, Aon had borrowed EUR 269 million ($239 million) under this facility, of which $152 million is classified as short-term borrowings and $87 million is classified as notes payable in the consolidated statements of financial position.

Aon has $1.2 billion of other unused committed bank credit facilities at December 31, 2001 to support $359 million of commercial paper and other short-term borrowings of which $105 million is classified as short-term borrowings at December 31, 2001. Aon has recently renegotiated these facilities, entering into a new 3-year agreement on February 8, 2002. The new amount of committed bank credit facilities is $875 million.

Information related to notes payable and short-term borrowings is as follows:

| Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Interest paid (millions) | $ 127 | $ 140 | $ 105 |
| Weighted-average interest rates- short-term borrowings | 4.5% | 6.4% | 5.4% |

LEASE COMMITMENTS. Aon has noncancelable operating leases for certain office space, equipment and automobiles. Future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year at December 31, 2001 are:

(millions)

| | |
|---|---|
| 2002 | $ 233 |
| 2003 | 215 |
| 2004 | 188 |
| 2005 | 168 |
| 2006 | 146 |
| Later years | 707 |
| Total minimum payments required | $ 1,657 |

Rental expenses for all operating leases for the years ended December 31, 2001, 2000 and 1999 amounted to $242 million, $217 million and $198 million, respectively.

## 9. INCOME TAX

Aon and its principal domestic subsidiaries are included in a consolidated life-nonlife federal income tax return. Aon's foreign subsidiaries file various income tax returns in their foreign jurisdictions.

Income before income tax and the cumulative effect of a change in accounting principle and the provision for income tax consist of the following:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Income before income tax*: | | | |
| U.S. | $ 24 | $ 454 | $ 444 |
| Foreign | 375 | 400 | 191 |
| Total | $ 399 | $ 854 | $ 635 |
| Provision for income tax: | | | |
| Current: | | | |
| Federal | $ 46 | $ 115 | $ 201 |
| Foreign | 122 | 124 | 60 |
| State | 9 | 28 | 20 |
| Total current | 177 | 267 | 281 |
| Deferred (credit): | | | |
| Federal | (28) | 46 | (42) |
| Foreign | 9 | 16 | 7 |
| State | (2) | 4 | (3) |
| Total deferred | (21) | 66 | (38) |
| Provision for income tax | $ 156 | $ 333 | $ 243 |

* Before cumulative effect of change in accounting principle.

During 2001, 2000 and 1999, Aon's consolidated statements of income reflect each year a tax benefit of $26 million on the 8.205% capital securities issued in January 1997 (see note 11).

A reconciliation of the income tax provisions based on the U.S. statutory corporate tax rate to the provisions reflected in the consolidated financial statements is as follows:

| Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Statutory tax rate | 35.0% | 35.0% | 35.0% |
| Tax-exempt investment income | (0.7) | (0.5) | (1.2) |
| Amortization of intangible assets relating to acquired businesses | 4.3 | 2.1 | 2.8 |
| State income taxes | 1.4 | 2.5 | 1.7 |
| Other-net | (1.0) | (0.1) | -- |
| Effective tax rate | 39.0% | 39.0% | 38.3% |

Significant components of Aon's deferred tax assets and liabilities are as follows:

| (millions) As of December 31 | 2001 | 2000 |
|---|---|---|
| Deferred tax assets: | | |
| Net operating loss and tax credit carryforwards | $ 81 | $ 71 |
| Certain purchase accounting and special charges | 81 | 31 |
| Unrealized investment losses | 26 | 42 |
| Unearned and advanced premiums and contract fees | 110 | 107 |
| Employee benefit plans | 141 | 81 |
| Unrealized foreign exchange losses | 210 | 170 |
| Other | 146 | 76 |
| Total | 795 | 578 |
| Deferred tax liabilities: | | |

| | | |
|---|---|---|
| Policy acquisition costs | (91) | (64) |
| Other | (101) | (133) |
| Total | (192) | (197) |
| Valuation allowance on deferred tax assets | (21) | (28) |
| Net deferred tax assets | $ 582 | $ 353 |

There are limitations on the utilization of net operating loss and tax credit carryforwards after a change of control, consequently, there will be annual limitations on the realization of these tax assets. Accordingly, valuation allowances were established for various acquisitions. Subsequently, recognized tax benefits for these items would reduce excess of cost over net assets purchased. The valuation allowance changed to $21 million in 2001 from $28 million in 2000, corresponding to reductions in related deferred tax assets, with no effect on net income. Although future earnings cannot be predicted with certainty, management currently believes that realization of the net deferred tax asset after consideration of the valuation allowance is more likely than not.

Prior to 1984, the life insurance companies were required to accumulate certain untaxed amounts in a memorandum "policyholders' surplus account." Under the Tax Reform Act of 1984, the "policyholders' surplus account" balances were "capped" at December 31, 1983, and the balances will be taxed only to the extent distributed to stockholders or when they exceed certain prescribed limits. As of December 31, 2001, the combined "policyholders' surplus account" of Aon's life insurance subsidiaries approximates $363 million. Aon's life insurance subsidiaries do not intend to make any taxable distributions or exceed the prescribed limits in the foreseeable future; therefore, no income tax provision has been made. However, if such taxes were assessed, the amount of taxes payable would be approximately $127 million.

The amount of income taxes paid in 2001, 2000 and 1999 was $193 million, $158 million and $324 million, respectively.

## 10. REINSURANCE AND CLAIM RESERVES

Aon's insurance subsidiaries are involved in both the cession and assumption of reinsurance with other companies. Aon's reinsurance consists primarily of short-duration contracts that are entered into with the captive insurance operations of numerous automobile dealerships and insurers as well as certain property casualty lines. Aon's insurance subsidiaries remain liable to the extent that the reinsuring companies are unable to meet their obligations.

A summary of reinsurance activity is as follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Ceded premiums earned | $ 921 | $ 845 | $ 624 |
| Ceded premiums written | 1,020 | 888 | 510 |
| Assumed premiums earned | 391 | 379 | 178 |
| Assumed premiums written | 384 | 304 | 116 |
| Ceded benefits to policyholders | 630 | 552 | 377 |

Activity in the liability for policy contract claims is summarized as follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Liabilities at beginning of year | $ 377 | $ 448 | $ 483 |
| Incurred losses: | | | |
| Current year | 1,110 | 840 | 890 |
| Prior years | (11) | 16 | (39) |
| Total | 1,099 | 856 | 851 |
| Payment of claims: | | | |
| Current year | (769) | (633) | (618) |
| Prior years | (252) | (294) | (268) |
| Total | (1,021) | (927) | (886) |
| Liabilities at end of year (net of reinsurance recoverables: 2001-$482, 2000-$424, 1999-$316) | $ 455 | $ 377 | $ 448 |

## 11. REDEEMABLE PREFERRED STOCK, CAPITAL SECURITIES AND STOCKHOLDERS' EQUITY

REDEEMABLE PREFERRED STOCK. At December 31, 2001, one million shares of redeemable preferred stock are outstanding. Dividends are cumulative at an annual rate of $2.55 per share. The shares of redeemable preferred stock will be redeemable at the option of Aon or the holders, in whole or in part, at $50.00 per share beginning one year after the occurrence of certain future events.

CAPITAL SECURITIES. In January 1997, Aon created Aon Capital A, a wholly-owned statutory business trust, for the purpose of issuing mandatorily redeemable preferred capital securities (Capital Securities). The sole asset of Aon Capital A is an $824 million aggregate principal amount of Aon's 8.205% Junior Subordinated Deferrable Interest Debentures due January 1, 2027. The back-up guarantees, in the aggregate, provide a full and unconditional guarantee of the Trust's obligations under the Capital Securities.

Aon Capital A issued $800 million of 8.205% capital securities in January 1997. The proceeds from the issuance of the Capital Securities were used to finance a portion of the A&A acquisition. The Capital Securities are subject to mandatory redemption on January 1, 2027 or, are redeemable in whole, but not in part, at the option of Aon upon the occurrence of certain events. Interest is payable semi-annually on the Capital Securities. The Capital Securities are categorized in the consolidated statements of financial position as "Company- Obligated Mandatorily Redeemable Preferred Capital Securities of Subsidiary Trust Holding Solely the Company's Junior Subordinated Debentures." The after-tax interest incurred on the Capital Securities is reported as minority interest in the consolidated statements of income.

COMMON STOCK. In December 2001, Aon filed a universal shelf registration on Form S-3 for the issuance of $750 million of debt and equity securities.

In 2000, Aon's stockholders approved an amendment to the Certificate of Incorporation of the Company to increase the number of authorized shares of common stock from 300 million to 750 million.

Aon repurchased 0.1 million, 3.5 million and 2.8 million shares in 2001, 2000 and 1999, respectively, of its common stock, primarily to

provide shares for stock compensation plans. In connection with the acquisition of two entities controlled by Aon's Chairman and Chief Executive Officer (note 4), Aon obtained approximately 22.4 million shares of its common stock. These treasury shares are restricted as to their reissuance.

The acquisition was financed by the issuance of approximately 22.4 million new shares of Aon stock. In addition, Aon issued 6.2 million new shares of common stock in 2001 for employee benefit plans and for acquisitions.

DIVIDENDS. A summary of dividends declared is as follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Redeemable preferred stock | $ 3 | $ 3 | $ 3 |
| Common stock | 238 | 223 | 207 |
| Total dividends declared | $ 241 | $ 226 | $ 210 |

STATUTORY CAPITAL AND SURPLUS. Generally, the capital and surplus of Aon's insurance subsidiaries available for transfer to the parent company are limited to the amounts that the insurance subsidiaries' statutory capital and surplus exceed minimum statutory capital requirements; however, payments of the amounts as dividends may be subject to approval by regulatory authorities. See note 9 for possible tax effects of distributions made out of untaxed earnings.

Net statutory income (loss) of the insurance subsidiaries is summarized as follows:

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Life insurance | $ (5) | $ 133 | $ 101 |
| Property casualty | 60 | 49 | 57 |

Statutory capital and surplus of the insurance subsidiaries is summarized as follows:

| (millions) As of December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Life insurance | $ 477 | $ 492 | $ 502 |
| Property casualty | 484 | 491 | 411 |

The National Association of Insurance Commissioners revised the Accounting Practices and Procedures Manual in a process referred to as Codification. The revised manual was effective January 1, 2001. The domiciliary states of Aon's major insurance subsidiaries have adopted the provisions of the revised manual. The revised manual changed, to some extent, prescribed statutory accounting practices and resulted in changes to the accounting practices that Aon's major insurance subsidiaries use to prepare their statutory-basis financial statements. The impact of these changes was to increase Aon's major insurance subsidiaries' statutory capital and surplus by approximately 6% as of January 1, 2001.

## 12. EMPLOYEE BENEFITS

SAVINGS AND PROFIT SHARING PLANS. Aon subsidiaries maintain contributory savings plans for the benefit of United States salaried and commissioned employees. Provisions made for these plans were $43 million, $39 million and $37 million in 2001, 2000 and 1999, respectively.

PENSION AND OTHER POSTRETIREMENT BENEFITS. Aon sponsors defined benefit, pension and postretirement health and welfare plans that provide retirement, medical and life insurance benefits. The postretirement healthcare plans are contributory, with retiree contributions adjusted annually; the life insurance and pension plans are noncontributory.

U.S. PENSION AND OTHER BENEFIT PLANS. The following tables provide a reconciliation of the changes in obligations and fair value of assets for the years ended December 31, 2001 and 2000 and a statement of the funded status as of December 31, 2001 and 2000, for both qualified and nonqualified plans. The measurement date for the U.S. plans is November 30.

| (millions) | Pension Benefits 2001 | Pension Benefits 2000 | Other Benefits 2001 | Other Benefits 2000 |
|---|---|---|---|---|
| **Reconciliation of benefit obligation** | | | | |
| Obligation at beginning of period | $ 792 | $ 773 | $ 69 | $ 69 |
| Service cost | 33 | 32 | 2 | 2 |
| Interest cost | 65 | 60 | 5 | 5 |
| Participant contributions | -- | -- | 6 | 6 |
| Actuarial loss (gain) | 12 | 2 | (1) | (1) |
| Benefit payments | (49) | (48) | (13) | (12) |
| Curtailments | (10) | -- | -- | -- |
| Acquisitions | 21 | -- | -- | -- |
| Change in interest rate | 97 | (27) | 5 | -- |
| Obligation at end of period | $ 961 | $ 792 | $ 73 | $ 69 |
| **Reconciliation of fair value of plan assets** | | | | |
| Fair value at beginning of period | $ 932 | $ 933 | $ 8 | $ 8 |
| Actual return on plan assets | 21 | 45 | -- | -- |
| Employer contributions | 2 | 2 | 13 | 12 |
| Benefit payments | (49) | (48) | (13) | (12) |
| Acquisitions | 25 | -- | -- | -- |
| Fair value at end of period | $ 931 | $ 932 | $ 8 | $ 8 |
| **Funded status** | | | | |
| Funded status at end of period | $ (30) | $ 140 | $ (65) | $ (61) |
| Unrecognized prior-service | (3) | (5) | -- | -- |
| Unrecognized loss (gain) | 76 | (125) | (12) | (17) |
| Net amount recognized | $ 43 | $ 10 | $ (77) | $ (78) |
| Prepaid benefit cost | $ 93 | $ 50 | $ -- | $ -- |
| Accrued benefit liability | (60) | (46) | (77) | (78) |
| Other comprehensive income | 10 | 6 | -- | -- |
| Net amount recognized | $ 43 | $ 10 | $ (77) | $ (78) |

In 2001, plans with a projected benefit obligation (PBO) in excess of the fair value of plan assets were unfunded plans with a PBO of $71 million, and plans with an accumulated benefit obligation (ABO) in excess of the fair value of plan assets were unfunded plans with an ABO of $60 million. In 2000, plans with a PBO in excess of the fair value of plan assets were unfunded plans with a PBO of $55 million, and plans with an ABO in excess of the fair value of plan assets were unfunded plans with an ABO of $46 million.

In both 2001 and 2000, pension plan assets include 3.7 million shares of common stock issued by Aon on which dividends of $3 million were received in both 2001 and 2000.

The following table provides the components of net periodic benefit cost (credit) for the plans for the years ended December 31, 2001, 2000 and 1999:

| (millions) | Pension Benefits 2001 | Pension Benefits 2000 | Pension Benefits 1999 |
|---|---|---|---|
| Service cost | $ 33 | $ 32 | $ 33 |
| Interest cost | 65 | 60 | 58 |
| Expected return on plan assets | (104) | (95) | (89) |
| Amortization of prior-service | (1) | (1) | (1) |
| Amortization of net gain | (8) | (7) | (5) |
| Net periodic benefit credit | $ (15) | $ (11) | $ (4) |

| (millions) | Other Benefits 2001 | 2000 | 1999 |
|---|---|---|---|
| Service cost | $ 2 | $ 2 | $ 2 |
| Interest cost | 5 | 5 | 5 |
| Amortization of prior-service | -- | (5) | (5) |
| Amortization of net gain | (1) | (1) | (1) |
| Net periodic benefit cost | $ 6 | $ 1 | $ 1 |

The weighted-average assumptions for the measurement period for U.S. benefit obligations are shown in the following table:

| | Pension Benefits 2001 | 2000 | Other Benefits 2001 | 2000 |
|---|---|---|---|---|
| Discount rate | 7.5% | 8.3% | 7.5% | 8.3% |
| Expected return on plan assets | 10.3 | 10.3 | -- | -- |
| Rate of compensation increase | 4.0 | 4.0 | 4.0 | 4.0 |

ASSUMPTIONS FOR OTHER POSTRETIREMENT BENEFITS. The employer's liability for future plan cost increase is limited in any year to 5% per annum. For measurement purposes in 2001, 2000 and 1999, the annual rate of increase in the per capita cost of covered health care benefits (trend rate) adjusted for actual current year cost experience was assumed to be 12.0%, 7.5% and 7.0%, respectively, decreasing gradually to 5.5% in year 2014 and remaining the same thereafter. However, with the employer funding increase cap limited to 5% per year, net employer trend rates are effectively limited to 5% per year in the future.

As a result, a 1% change in assumed healthcare cost trend rates has no effect on the service and interest cost components of net periodic postretirement healthcare benefit cost and on

the accumulated postretirement benefit obligation for the measurement period ended in 2001.

INTERNATIONAL PENSION PLANS. The following tables provide a reconciliation of the changes in obligations and fair value of assets for the years ended December 31, 2001 and 2000 and a statement of the funded status as of December 31, 2001 and 2000, for material international plans, which are located in the United Kingdom and The Netherlands. The measurement date for these plans is September 30.

| | International Pension | |
|---|---|---|
| | 2001 | 2000 |
| **Reconciliation of benefit obligation** | | |
| Obligation at beginning of period | $ 2,036 | $ 2,210 |
| Service cost | 51 | 65 |
| Interest cost | 124 | 123 |
| Participant contributions | 4 | 4 |
| Benefit payments | (69) | (64) |
| Change in interest rate | (81) | (126) |
| Foreign exchange translation | (54) | (176) |
| Obligation at end of period | $ 2,011 | $ 2,036 |
| **Reconciliation of fair value of plan assets** | | |
| Fair value at beginning of period | $ 2,000 | $ 2,122 |
| Actual return on plan assets | (243) | 55 |
| Employer contributions | 53 | 50 |
| Participant contributions | 4 | 4 |
| Benefit payments | (69) | (64) |
| Foreign exchange translation | (52) | (167) |
| Fair value at end of period | $ 1,693 | $ 2,000 |
| **Funded status** | | |
| Funded status at end of period | $ (318) | $ (36) |
| Unrecognized prior-service | -- | 1 |
| Unrecognized loss | 558 | 235 |
| Net amount recognized | $ 240 | $ 200 |
| Prepaid benefit cost | $ 119 | $ 169 |
| Accrued benefit liability | (144) | (36) |
| Other comprehensive income | 265 | 67 |
| Net amount recognized | $ 240 | $ 200 |

In 2001, plans with a PBO in excess of the fair value of plan assets had a PBO of $1.9 billion and plan assets with a fair value of $1.5 billion, and plans with an ABO in excess of the fair value of plan assets had an ABO of $1.0 billion and plan assets with a fair value of $0.9 billion.

In 2000, plans with a PBO in excess of the fair value of plan assets had a PBO of $1.2 billion and plan assets with a fair value of $1.1 billion, and plans with an ABO in excess of the fair value of plan assets had an ABO of $434 million and plan assets with a fair value of $399 million.

The following table provides the components of net periodic benefit cost for the international plans for the measurement period ended in 2001, 2000 and 1999:

| (millions) | 2001 | 2000 | 1999 |
|---|---|---|---|
| Service cost | $ 51 | $ 65 | $ 74 |
| Interest cost | 124 | 123 | 127 |
| Expected return on plan assets | (182) | (193) | (196) |
| Amortization of net loss | 11 | 10 | 8 |
| Net periodic benefit cost | $ 4 | $ 5 | $ 13 |

The weighted-average assumptions for the measurement period for the international pension benefit obligations are shown in the following table:

| | 2001 | 2000 | 1999 |
|---|---|---|---|
| Discount rate | 6.3-7.0% | 6.0- 7.0% | 6.0- 7.0% |
| Expected return on plan assets | 7.0-9.5 | 7.0-10.0 | 7.0-10.0 |
| Rate of compensation increase | 4.0 | 4.0- 4.5 | 4.0- 4.5 |

## 13. STOCK COMPENSATION PLANS

In 2001, Aon stockholders approved the Aon Stock Incentive Plan, which replaced all existing incentive compensation plans, including the Aon Stock Award Plan and the Aon Stock Option Plan. Under the new plan, nonqualified and incentive stock options, stock appreciation rights and stock awards may be granted. The number of shares authorized to be issued under the new plan will be equal to 18% of the number of common shares outstanding of Aon. Initially, 19 million shares have been approved for issuance under the new plan, plus the number of shares which are currently available for awards or which become available under the former plans.

STOCK AWARDS. Generally, employees are required to complete three continuous years of service before the award begins to vest in increments until the completion of a 10-year period of continuous employment. In general, most awarded shares are issued as they become vested. In certain circumstances, an employee can elect to defer the receipt of vested shares to a later date. With certain limited exceptions, any break in continuous employment will cause forfeiture of all unvested awards. The compensation cost associated with each award is deferred and amortized over the period of continuous employment using the straight-line method. At December 31, 2001, the number of shares available for award is included with options available for grant.

Aon common stock awards outstanding consist of the following:

| (shares in thousands)<br>Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Shares outstanding at beginning of year | 8,881 | 9,865 | 9,321 |
| Granted | 258 | 586 | 2,056 |
| Vested | (1,488) | (1,216) | (1,159) |
| Canceled | (227) | (354) | (353) |
| Shares outstanding at end of year | 7,424 | 8,881 | 9,865 |

STOCK OPTIONS. Options to purchase common stock are granted to certain officers and employees of Aon and its subsidiaries at 100% of market value on the date of grant. Generally, employees are required to complete two continuous years of service before the options begin to vest in increments until the completion of a 4-year period of continuous employment. For all grants made prior to an amendment to the former stock option plan in 2000, employees were required to complete three continuous years of service before the options began to vest in increments until the completion of a 6-year period of continuous employment.

A summary of Aon's stock option activity (including options granted pursuant to the former Aon Stock Award Plan) and related information consists of the following:

| (shares in thousands)<br>Years ended December 31 | 2001 | | 2000 | | 1999 | |
|---|---|---|---|---|---|---|
| | SHARES | WEIGHTED-AVERAGE EXERCISE PRICE | Shares | Weighted-Average Exercise Price | Shares | Weighted-Average Exercise Price |
| Beginning outstanding | 16,156 | $ 29 | 11,223 | $ 31 | 10,298 | $ 26 |
| Granted | 7,647 | 34 | 6,812 | 25 | 2,417 | 43 |
| Exercised | (1,751) | 18 | (1,174) | 17 | (1,026) | 17 |
| Canceled | (754) | 32 | (705) | 33 | (466) | 28 |
| Ending outstanding | 21,298 | $ 32 | 16,156 | $ 29 | 11,223 | $ 31 |
| Exercisable at end of year | 2,538 | $ 29 | 2,607 | $ 21 | 1,833 | $ 17 |
| Options available for grant | 14,444 | | 2,368 | | 4,843 | |

A summary of options outstanding and exercisable is as follows:

(shares in thousands)

**As of December 31, 2001**

| Opitons Outstanding | | | | Options Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Prices | Shares Outstanding | Weighted-Average Remaining Contractual Life (Years) | Weighted-Average Exercise Price | Shares Exercisable | Weighted-Average Exercise Price |
| $ 14.69-$ 22.89 | 1,471 | 1.0 | $ 20.95 | 1,022 | $ 20.09 |
| 23.41- 23.94 | 5,735 | 8.1 | 23.93 | 40 | 23.69 |
| 26.53- 31.22 | 2,304 | 6.1 | 29.35 | 734 | 28.71 |
| 31.53- 32.53 | 3,804 | 9.3 | 32.51 | -- | -- |
| 32.64- 35.18 | 2,330 | 9.4 | 34.74 | 4 | 35.06 |
| 35.20- 43.33 | 3,803 | 7.4 | 39.44 | 712 | 41.57 |
| 43.44- 49.29 | 1,851 | 7.2 | 43.57 | 26 | 46.26 |

$ 14.69-$ 49.29 21,298 7.5 $ 31.50 2,538 $ 28.96

(shares in thousands)
**As of December 31, 2000**

| Options Outstanding | | | | Options Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Prices | Shares Outstanding | Weighted-Average Remaining Contractual Life (Years) | Weighted-Average Exercise Price | Shares Exercisable | Weighted-Average Exercise Price |
| $ 14.17-$ 15.89 | 1,704 | 0.8 | $ 15.40 | 1,305 | $ 15.25 |
| 21.72- 23.89 | 1,514 | 2.3 | 22.90 | 656 | 22.86 |
| 23.94- 23.94 | 5,894 | 9.1 | 23.94 | -- | -- |
| 26.53- 28.92 | 1,885 | 6.1 | 28.75 | 534 | 28.70 |
| 29.63- 42.67 | 1,228 | 8.7 | 33.42 | 112 | 35.41 |
| 43.33- 43.33 | 1,943 | 7.2 | 43.33 | -- | -- |
| 43.44- 49.29 | 1,988 | 8.2 | 43.56 | -- | -- |

$ 14.17-$ 49.29 16,156 6.9 $ 28.97 2,607 $ 20.79

PRO FORMA INFORMATION. Pro forma information regarding net income and net income per share is required by FASB Statement No. 123 and has been determined as if Aon had accounted for employee stock options and stock awards under the fair value method.

The pro forma net income and net income per share information is as follows:

| Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Net income (millions): | | | |
| As reported | $ 203 | $ 474 | $ 352 |
| Pro forma | 193 | 458 | 341 |
| Net income per share: | | | |
| Basic | | | |
| As reported | 0.74 | 1.81 | 1.35 |
| Pro forma | 0.70 | 1.75 | 1.31 |
| Dilutive | | | |
| As reported | 0.73 | 1.79 | 1.33 |
| Pro forma | 0.69 | 1.73 | 1.29 |

The fair value per share of options and awards granted is estimated as $8.66 and $29.78 in 2001, $6.33 and $25.73 in 2000 and $10.87 and $35.02 in 1999, respectively, on the grant date using the Black-Scholes option pricing model with the following weighted-average assumptions:

| | 2001 | 2000 | 1999 |
|---|---|---|---|
| Dividend yield | 2.0% | 2.0% | 2.0% |
| Expected volatility | 28% | 27% | 21% |
| Risk-free interest rate | 6% | 6% | 6% |
| Expected term life beyond vesting date (in years): | | | |
| Stock options | 1.06 | 0.94 | 0.87 |
| Stock awards | -- | -- | -- |

The compensation cost as generated by the Black-Scholes model may not be indicative of the future benefit, if any, that may be received by the option holder.

The pro forma information reflected above may not be representative of the amounts to be expected in future years as the fair value method of accounting contained in FASB Statement No. 123 has not been applied to options granted prior to January 1995.

**EMPLOYEE STOCK PURCHASE PLANS**

UNITED STATES. Effective July 1, 1998, Aon adopted an employee stock purchase plan which provides for the purchase of a maximum of 7.5 million shares of Aon's common stock by eligible U.S. employees. Under the original plan, shares of Aon's common stock could be purchased at 6-month intervals at 85% of the lower of the fair market value of the common stock on the first or the last day of each 6-month period. Effective July 1,2000, the plan was amended by changing the purchase period to 3-month intervals. In 2001, 2000 and 1999, 680,000 shares, 940,000 shares and 720,000 shares, respectively, were issued to employees under the plan. There was no compensation expense associated with this plan.

UNITED KINGDOM. In 1999, Aon adopted an employee stock purchase plan which provides for the purchase of approximately 720,000 shares of Aon common stock by eligible U.K. employees after a 3-year period and is similar to the U.S. plan described above. No shares were issued under the plan in 2001 or 2000. There was no compensation expense associated with this plan.

## 14. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT. Aon is exposed to market risk from changes in foreign currency exchange rates, interest rates and equity securities prices. To manage the risk related to these exposures, Aon enters into various derivative transactions that have the effect of reducing these risks by creating offsetting market exposures. If Aon did not use derivative contracts, its exposure to market risk would be higher.

Derivative transactions are governed by a uniform set of policies and procedures covering areas such as authorization, counterparty exposure and hedging practices. Positions are monitored using techniques such as market value and sensitivity analyses.

Certain derivatives also give rise to credit risks from the possible non-performance by counterparties. The credit risk is generally limited to the fair value of those contracts that are favorable to Aon. Aon has limited its credit risk by restricting investments in derivative contracts to a diverse group of highly rated major financial institutions and by using exchange-traded instruments. Aon closely monitors the creditworthiness of and exposure to its counterparties and considers its credit risk to be minimal. At December 31, 2001 and 2000, Aon placed securities relating to these derivative contracts in escrow amounting to $4 million and $1 million, respectively.

Foreign currency forward contracts (forwards) and interest rate swaps entered into require no up-front premium. Forwards settle at the expiration of the related contract. The net effect of swap payments is settled periodically and reported in income. The premium and commission paid for purchased options, including interest rate caps and floors, and premium received, net of commission paid, for written options represent the cost basis of the position until it expires or is closed. The commission paid for futures contracts represents the cost basis of the position, until it expires or is closed. Exchange-traded futures are valued and settled daily. Unless otherwise noted, derivative instruments are generally reported in other receivables and liabilities in the consolidated statements of financial position.

ACCOUNTING POLICY FOR DERIVATIVE INSTRUMENTS. Effective October 1, 2000, Aon adopted Statement No. 133. Statement No. 133 requires all derivative instruments to be recognized in the consolidated statements of financial position at fair value. Changes in fair value are recognized immediately in earnings unless the derivative is designated as a hedge and qualifies for hedge accounting.

Statement No. 133 identifies three hedging relationships where a derivative (hedging instrument) may qualify for hedge accounting: a hedge of the change in fair value of a recognized asset or liability or firm commitment (fair value hedge), a hedge of the variability in cash flows from a recognized asset or liability or forecasted transaction (cash flow hedge) and a hedge of the net investment in a foreign subsidiary.

In order for a derivative to qualify for hedge accounting, the derivative must be formally documented and designated as a hedge at inception and be consistent with Aon's overall risk management policy. The hedge relationship must be highly effective at inception and on an ongoing basis. For a highly effective hedge, changes in the fair value of the hedging instrument must be expected to substantially offset changes in the fair value of the hedged item. Aon performs frequent analyses to measure hedge effectiveness.

The change in fair value of a hedging instrument designated and qualified as a fair value hedge and the change in value of the hedged item attributable to the risk being hedged are both recognized currently in earnings. The effective portion of the change in fair value of a hedging instrument designated and qualified as a cash flow hedge is recognized in other comprehensive income (OCI) and subsequently reclassified to income when the hedged item affects earnings. The ineffective portion of the change in fair value of a cash flow hedge is recognized immediately in earnings. For a derivative designated and qualified as a hedge of a net investment in a foreign subsidiary, the effective portion of the change in fair value is reported in OCI as part of the cumulative translation adjustment. The ineffective portion of the change in fair value of a hedge of a net investment in a foreign subsidiary is recognized immediately in earnings.

Prior to the adoption of Statement No. 133, the ineffective portion of the change in fair value of a hedging instrument designated and qualified as a hedge was not recognized immediately in earnings.

FOREIGN EXCHANGE RISK MANAGEMENT. Certain of Aon's foreign brokerage subsidiaries, primarily in the United Kingdom, receive revenues in currencies that differ from their functional currencies. To reduce the variability of cash flows from these transactions, Aon has entered into foreign exchange forwards

and options with settlement dates prior to January 2004. Upon adoption of Statement No. 133, designated and qualified forwards are accounted for as cash flow hedges of forecasted transactions. As of December 31, 2001, a $5 million pretax loss has been deferred to OCI, $4 million of which is expected to impact earnings in 2002. There was no material ineffectiveness recorded.

Prior to the adoption of Statement No. 133, these transactions did not qualify for hedge accounting and changes in the fair value related to these derivatives were recorded in general expenses in the consolidated statements of income. Certain other forward and option contracts did not meet the hedging requirements of Statement No. 133. Changes in fair value related to these contracts were recorded in general expenses in the consolidated statements of income.

Aon uses exchange-traded foreign currency futures and options on futures, as well as over-the-counter options and forward contracts to reduce the impact of foreign currency fluctuations on the translation of the financial statements of Aon's foreign operations. These derivatives are not afforded hedge accounting as defined by Statement No. 133 and prior accounting guidance. Changes in the fair value of these derivatives are recorded in general expenses in the consolidated statements of income.

In 2000, Aon entered into a cross currency swap to hedge the foreign currency and interest rate risks associated with a foreign denominated fixed-rate policyholder liability. This swap has been designated as a fair value hedge of the combined exposure. There was no material ineffectiveness related to this hedge.

INTEREST RATE RISK MANAGEMENT. Aon uses futures contracts and purchases options on futures contracts to reduce the price volatility of its fixed-maturity portfolio. Upon adoption of Statement No. 133, derivatives designated and qualified as hedging specific fixed-income securities are accounted for as fair value hedges. There were no designated and qualified hedges at December 31, 2001. Prior to the adoption of Statement No. 133, realized gains and losses on derivatives that qualified as hedges were deferred and reported as an adjustment of the cost basis of the hedged item and are being amortized into earnings over the remaining life of the hedged item.

In December 2001, Aon issued $250 million of fixed-rate debt securities and entered into an interest rate swap to hedge the fair value of the debt. The swap qualifies as a fair value hedge and there was no ineffectiveness recorded. Prior to the adoption of Statement No. 133, Aon purchased futures contracts to hedge the fair value of its fixed-rate notes from changes in interest rates. Aon deferred the gains from the termination of the contracts and is amortizing these gains over the remaining life of the fixed-rate notes.

Aon issued fixed-rate notes in May 2000. Aon purchased options on interest rate swaps to hedge against the change in interest rates prior to the issuance. These options qualified as a hedge of an anticipated transaction under prior accounting guidance and related gains were deferred and are being amortized as an offset to interest expense over the remaining life of the notes. Upon the adoption of Statement No. 133, pretax deferred gains of $5 million were reclassified to OCI. At December 31, 2001, $4 million remains in OCI, $1 million of which is expected to offset interest expense in 2002.

Aon enters into interest rate swap and floor agreements and uses exchange-traded futures and options to limit its net exposure to short-term interest rates, primarily relating to brokerage fiduciary funds in the U.S. and U.K. Aon also sells exchange-traded futures to limit its exposure to increasing long-term interest rates. Since the adoption of Statement No. 133, there were no designated and qualified cash flow hedges of these exposures. Changes in fair value related to these contracts were recorded in investment income in the consolidated statements of income. Under prior accounting guidance, realized gains and losses were deferred and recognized in earnings as the hedged item affected earnings.

Aon uses interest rate swaps and caps to limit its exposure to changes in interest rates related to interest rate guarantees provided by a subsidiary of Aon to certain unaffiliated entities. Under prior accounting guidance, these derivatives qualified for hedge accounting treatment, and realized gains and losses were deferred and recognized in earnings as the hedged item affected earnings. In August 2000, these guarantees were replaced with new offsetting interest rate swaps between Aon and an unaffiliated entity, with Aon essentially retaining the same exposure. Following the replacement of the original hedged item, hedge accounting was terminated and previously deferred realized gains and losses as well as previously unrecognized changes in fair value were recognized in earnings. The termination of this hedging relationship did not have a material effect on pretax earnings. The adoption of Statement No. 133 did not affect the accounting for these derivative instruments.

EQUITY PRICE RISK MANAGEMENT. Aon sells futures contracts and purchases options to reduce the price volatility of its equity securities portfolio and equity securities it owns indirectly through limited partnership investments. Since the adoption

of Statement No. 133, there were no designated and qualified hedges of this exposure. Prior to the adoption of Statement No. 133, realized gains and losses on derivatives that qualified as hedges were deferred and reported as an adjustment of the cost basis of the hedged item and are being amortized into earnings over the remaining life of the hedged item. Realized gains and losses on derivatives that did not qualify for hedge accounting treatment were recognized immediately in investment income in the consolidated statements of income.

OTHER FINANCIAL INSTRUMENTS. Aon has certain investment commitments to provide capital and fixed-rate loans, as well as certain forward contract purchase commitments. The investment commitments, which would be collateralized by related properties of the underlying investments, involve varying elements of credit and market risk. Investment commitments outstanding at December 31, 2001 and 2000 totaled $136 million and $184 million, respectively.

Subsidiaries and affiliates of Aon have entered into agreements with financial institutions, whereby certain receivables were sold, with limited recourse. Agreements provide for sales of receivables on a continuing basis through December 2002. As of December 31, 2001 and 2000, the maximum commitment contained in these agreements was $2.4 billion and $2.9 billion, respectively. Aon's maximum credit risk under recourse provisions of these agreements was approximately $225 million and $197 million at December 31, 2001 and 2000, respectively.

An Aon subsidiary issues fixed- and floating-rate Guaranteed Investment Contracts (GICS) and floating-rate funding agreements and invests the proceeds primarily in the U.S. fixed income markets. The assets backing the GICS are subject to varying elements of credit and market risk.

FAIR VALUE OF FINANCIAL INSTRUMENTS. Accounting standards require the disclosure of fair values for certain financial instruments. The fair value disclosures are not intended to encompass the majority of policy liabilities, various other non-financial instruments or other intangible assets related to Aon's business. Accordingly, care should be exercised in deriving conclusions about Aon's business or financial condition based on the fair value disclosures. The carrying value and fair value of certain of Aon's financial instruments are as follows:

| (millions) As of December 31 | 2001 | | 2000 | |
|---|---|---|---|---|
| | CARRYING VALUE | FAIR VALUE | Carrying Value | Fair Value |
| Assets: | | | | |
| Fixed maturities and equity securities | $ 2,531 | $ 2,531 | $ 2,829 | $ 2,829 |
| Other investments | 640 | 639 | 865 | 863 |
| Cash, receivables and short-term investments* | 11,354 | 11,354 | 11,632 | 11,632 |
| Derivatives | 46 | 46 | 44 | 44 |
| Liabilities: | | | | |
| Investment type insurance contracts | 813 | 782 | 1,069 | 1,040 |
| Short-term borrowings, premium payables and general expenses | 10,260 | 10,260 | 10,140 | 10,140 |
| Notes payable | 1,694 | 1,750 | 1,798 | 1,818 |
| Capital securities | 800 | 782 | 800 | 770 |
| Derivatives | 55 | 55 | 46 | 46 |

* Excludes derivatives.

## 15. CONTINGENCIES

Aon and its subsidiaries are subject to numerous claims, tax assessments and lawsuits that arise in the ordinary course of business. The damages that may be claimed are substantial, including in many instances claims for punitive or extraordinary damages. Accruals for these items have been provided to the extent that losses are deemed probable and are estimable.

In the second quarter of 1999, Allianz Life Insurance Company of North America, Inc. ("Allianz") filed an amended complaint in Minnesota adding a brokerage subsidiary of Aon as a defendant in an action which Allianz brought against three insurance carriers reinsured by Allianz. These three carriers provided certain types of workers' compensation reinsurance to a pool of insurers and to certain facilities managed by Unicover Managers, Inc. ("Unicover"), a New Jersey corporation not affiliated with Aon. Allianz alleges that the Aon subsidiary acted as an agent of the three carriers when placing reinsurance coverage on their behalf. Allianz claims that the reinsurance it issued should be rescinded or that it should be awarded damages, based on alleged fraudulent, negligent and innocent misrepresentations by the carriers, through their agents, including the Aon subsidiary defendant. Aon believes that the Aon subsidiary has meritorious defenses and the Aon subsidiary intends to vigorously defend this claim.

Except for an action filed to compel Aon to produce documents, which has been settled, the Allianz lawsuit is the only lawsuit or arbitration relating to Unicover in which any Aon-related entity is a party. In 1999, Aon charged general expenses for $72 million in the Insurance Brokerage and Other Services segment relating to various litigation matters including Unicover.

Certain United Kingdom subsidiaries of Aon have been required by their regulatory body, the Personal Investment Authority (PIA), to review advice given by those subsidiaries to individuals who bought pension plans during the period from April 1988 to June 1994. These reviews have resulted in a requirement to pay compensation to clients based on guidelines issued by the PIA. In 1999, Aon charged general expenses for $121 million in the Consulting segment to provid for these payments. Aon's ultimate exposure from the private pension plan review, as presently calculated, is subject to a number of variable factors including, among others, general level of pricing in the equity markets, the interest rate established quarterly for calculating compensation and the precise scope, duration and methodology of the review, including whether recent regulatory guidance will have to be applied to previously settled claims.

On September 11, 2001, the World Trade Center was destroyed. Aon occupied space on several of the upper floors of one of the towers, and 175 employees are either confirmed or presumed dead. Reinsurers have disputed their liability as to approximately $90 million of reinsurance recoveries under a Business Travel Accident (BTA) policy issued by CICA to cover U.S.-based employees of subsidiaries of Aon, and legal actions have been filed by both parties. If there are adverse developments in legal proceedings related to the BTA policy, CICA could be financially responsible for some or all of the $90 million of anticipated reinsurance recoveries.

One of Aon's insurance subsidiaries is a defendant in twelve lawsuits in Mississippi. The lawsuits generally allege misconduct by the subsidiary in the solicitation and sale of insurance policies. Attorneys representing the plaintiffs in these lawsuits have advised the subsidiary that approximately 1,800 other current or former policyholders may file similar claims. The attorneys have furnished no or only sparse details of these possible claims. Each lawsuit includes, and each threatened claim could include, a request for punitive damages. Each suit and any threatened claim that matures into a suit will be most vigorously defended.

Although the ultimate outcome of all matters referred to above cannot be ascertained and liabilities in indeterminate amounts may be imposed on Aon or its subsidiaries, on the basis of present information, amounts already provided, availability of insurance coverages and legal advice received, it is the opinion of management that the disposition or ultimate determination of such claims will not have a material adverse effect on the consolidated financial position of Aon. However, it is possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by an unfavorable resolution of these matters.

## 16. SEGMENT INFORMATION

Aon classifies its businesses into three operating segments: Insurance Brokerage and Other Services, Consulting, and Insurance Underwriting. A fourth non-operating segment, Corporate and Other, when aggregated with the operating segments, totals to the amounts in the accompanying consolidated financial statements. Revenues are attributed to geographic areas based on the location of the resources producing the revenues. Intercompany revenues and expenses are eliminated in computing consolidated revenues and income before tax. There are no material inter-segment amounts to be eliminated. Long-lived assets and related depreciation and amortization are not material.

CONSOLIDATED REVENUE BY GEOGRAPHIC AREA FOLLOWS:

| (millions) | Total | United States | United Kingdom | Continent of Europe | Rest of World |
|---|---|---|---|---|---|
| Revenue for the years ended December 31: | | | | | |
| 2001 | $ 7,676 | $ 4,463 | $ 1,390 | $ 938 | $ 885 |
| 2000 | 7,375 | 4,350 | 1,363 | 833 | 829 |
| 1999 | 7,070 | 4,131 | 1,352 | 841 | 746 |

The Insurance Brokerage and Other Services segment consists principally of Aon's retail, reinsurance and wholesale brokerage, as well as related insurance services, including claims services, underwriting management, captive insurance company management services and premium financing. Aon's retail brokerage area provides a broad spectrum of advisory and outsourcing services including risk identification and assessment, alternative risk financing, safety engineering, loss management and program administration for clients. This area also designs, places and implements customized insurance solutions. Aon's reinsurance brokerage activities offer sophisticated advisory services in program design that enhance the risk/return characteristics of insurance policy portfolios and improve capital utilization, along with the evaluation of catastrophic loss exposures. Aon also actively participates in placement and captive management services, designing tax-efficient programs that enable clients to manage certain risks that would be cost prohibitive or unavailable in the traditional insurance markets. Aon offers claims administration and loss cost management services to insurance companies, firms with self-insurance programs, agents and brokers.

The wholesale operations, serving thousands of independent insurance brokers and agents nationwide, provide brokering expertise and underwriting solutions, and custom-designed products and services in several specialty areas, including entertainment, public entities, directors' and officers' and professional liability, workers' compensation, media, financial institutions, marine, aviation, construction, healthcare and energy.

Aon Consulting is one of the world's largest integrated human capital consulting organizations. The operations of this segment provide a full range of human capital management services. These services are delivered predominantly to corporate clientele utilizing five major practices: employee benefits, compensation, management consulting, outsourcing and communications.

The Insurance Underwriting segment provides supplemental accident and health and life insurance coverage through several distribution networks, most of which are directly owned by Aon's subsidiaries, and extended warranty and casualty insurance products.

OPERATING SEGMENT REVENUE BY PRODUCT FOLLOWS:

| (millions) | Total Operating | Retail | Reinsurance, Wholesale, Claims and Other Services | Consulting | Accident, Health and Life | Extended Warranty and Casualty |
|---|---|---|---|---|---|---|
| Revenue for the years ended December 31: | | | | | | |
| 2001 | $ 7,847 | $ 3,009 | $ 1,650 | $ 938 | $ 1,507 | $ 743 |
| 2000 | 7,304 | 2,947 | 1,420 | 770 | 1,424 | 743 |
| 1999 | 6,906 | 2,831 | 1,313 | 656 | 1,338 | 768 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**SELECTED INFORMATION REFLECTING AON'S OPERATING SEGMENTS FOLLOWS:**

| | Insurance Brokerage and Other Services | | | Consulting | | | Insurance Underwriting | | |
|---|---|---|---|---|---|---|---|---|---|
| (millions) Years ended December 31 | 2001 | 2000 | 1999 | 2001 | 2000 | 1999 | 2001 | 2000 | 1999 |
| Revenue by geographic area: | | | | | | | | | |
| United States | $ 2,425 | $ 2,277 | $ 2,146 | $ 628 | $ 486 | $ 405 | $ 1,615 | $ 1,545 | $ 1,457 |
| United Kingdom | 918 | 889 | 830 | 157 | 151 | 147 | 302 | 308 | 349 |
| Continent of Europe | 733 | 654 | 680 | 77 | 67 | 44 | 125 | 111 | 115 |
| Rest of World | 583 | 547 | 488 | 76 | 66 | 60 | 208 | 203 | 185 |
| Total revenues | 4,659 | 4,367 | 4,144 | 938 | 770 | 656 | 2,250 | 2,167 | 2,106 |
| General expenses* | 3,887 | 3,564 | 3,422 | 803 | 658 | 573 | 830 | 827 | 843 |
| Benefits to policyholders | -- | -- | -- | -- | -- | -- | 1,111 | 1,037 | 973 |
| Amortization of intangible assets | 38 | 37 | 38 | 2 | 3 | 3 | -- | -- | -- |
| Total expenses | 3,925 | 3,601 | 3,460 | 805 | 661 | 576 | 1,941 | 1,864 | 1,816 |
| Income before income tax excluding unusual and special charges | 734 | 766 | 684 | 133 | 109 | 80 | 309 | 303 | 290 |
| Unusual charges-World Trade Center | 23 | -- | -- | -- | -- | -- | 45 | -- | -- |
| Special charges | 187 | 76 | 191 | 7 | 3 | 122 | 24 | 3 | -- |
| Income (loss) before income tax | $ 524 | $ 690 | $ 493 | $ 126 | $ 106 | $ (42) | $ 240 | $ 300 | $ 290 |
| Identifiable assets at December 31 | $ 10,393 | $ 10,035 | $ 9,467 | $ 232 | $ 232 | $ 248 | $ 5,526 | $ 5,594 | $ 5,640 |

* Insurance underwriting general expenses include amortization of deferred acquisition costs of $217 million, $215 million and $247 million for the years ended December 31, 2001, 2000 and 1999, respectively.

Corporate and Other segment revenue consists primarily of valuation changes of investments in limited partnerships and certain other investments (which include non-income producing equities), and income and losses on disposals of all securities, including those pertaining to assets maintained by the operating segments. Corporate and Other segment general expenses include administrative and certain information technology costs.

**SELECTED INFORMATION REFLECTING AON'S NON-OPERATING SEGMENT FOLLOWS:**

| | Corporate and Other | | |
|---|---|---|---|
| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
| Revenue | $ (171) | $ 71 | $ 164 |
| General expenses | 75 | 59 | 63 |
| Interest expense | 127 | 140 | 105 |
| Amortization of goodwill | 118 | 114 | 102 |
| Total expenses | 320 | 313 | 270 |
| Loss before income tax | $ (491) | $ (242) | $ (106) |
| Identifiable assets at December 31* | $6,235 | $6,390 | $5,777 |

* Limited partnerships were $42 million, $602 million and $465 million as of December 31, 2001, 2000 and 1999, respectively.

**SELECTED INFORMATION REFLECTING AON'S INVESTMENT INCOME FOLLOWS:**

| (millions) Years ended December 31 | 2001 | 2000 | 1999 |
|---|---|---|---|
| Insurance brokerage and other services (primarily short-term investments) | $ 156 | $ 186 | $ 159 |
| Consulting (primarily short-term investments) | 5 | 6 | 3 |
| Insurance underwriting (primarily fixed maturities) | 223 | 245 | 251 |
| Corporate and other (primarily limited partnerships and equity investments) | (171) | 71 | 164 |
| Total investment income | $ 213 | $ 508 | $ 577 |

## REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

**BOARD OF DIRECTORS AND STOCKHOLDERS**
**AON CORPORATION**

We have audited the accompanying consolidated statements of financial position of Aon Corporation as of December 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aon Corporation at December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1, in 2000 the Company changed its method of accounting for certain commission and fee revenue and also changed its method of accounting for derivative financial instruments.

*Chicago, Illinois* */s/Ernst & Young LLP*
*February 12, 2002*

## *REPORT BY MANAGEMENT*

Management of Aon Corporation is responsible for the fairness of presentation and integrity of the financial statements and other financial information in the annual report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States. These statements include informed estimates and judgments for those transactions not yet complete or for which the ultimate effects cannot be measured precisely. Financial information elsewhere in this report is consistent with that in the financial statements. The consolidated financial statements have been audited by our independent auditors. Their role is to render an independent professional opinion on Aon's financial statements.

Management maintains a system of internal control designed to meet its responsibilities for reliable financial statements. The system is designed to provide reasonable assurance, at appropriate costs, that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's authorization. Judgments are required to assess and balance the relative costs and expected benefits of those controls. It is management's opinion that its system of internal control as of December 31, 2001 was effective in providing reasonable assurance that its financial statements were free of material misstatement. In addition, management supports and maintains a professional staff of internal auditors who coordinate audit coverage with the independent auditors and conduct an extensive program of financial and operational audits.

The Board of Directors selects an Audit Committee from among its members. All members of the Audit Committee are independent of the Company. The Audit Committee recommends to the Board of Directors appointment of the independent auditors and provides oversight relating to the review of financial information provided to stockholders and others, the systems of internal control which management and the Board of Directors have established and the audit process. The Audit Committee meets periodically with management, internal auditors and independent auditors to review the work of each and satisfy itself that those parties are properly discharging their responsibilities. Both the independent auditors and the internal auditors have free access to the Audit Committee, without the presence of management, to discuss the adequacy of internal control and to review the quality of financial reporting.

## SELECTED FINANCIAL DATA

| (millions except common stock and per share data) | 2001 | 2000 | 1999 | 1998 | 1997 |
|---|---|---|---|---|---|
| INCOME STATEMENT DATA | | | | | |
| Brokerage commissions and fees | $ 5,436 | $ 4,946 | $ 4,639 | $ 4,197 | $ 3,605 |
| Premiums and other | 2,027 | 1,921 | 1,854 | 1,706 | 1,646 |
| Investment income | 213 | 508 | 577 | 590 | 500 |
| Total revenue | $ 7,676 | $ 7,375 | $ 7,070 | $ 6,493 | $ 5,751 |
| Income before unusual and special charges and accounting change | $ 377 | $ 531 | $ 547 | $ 541 | $ 406 |
| Unusual charges - World Trade Center** | (41) | - | - | - | - |
| Special charges** | (133) | (50) | (195) | - | (107) |
| Cumulative effect of change in accounting principle* | - | (7) | - | - | - |
| Net income | $ 203 | $ 474 | $ 352 | $ 541 | $ 299 |
| DILUTIVE PER SHARE DATA | | | | | |
| Income before unusual and special charges and accounting change | $ 1.37 | $ 2.01 | $ 2.07 | $ 2.07 | $ 1.55 |
| Unusual charges - World Trade Center | (0.15) | - | - | - | - |
| Special charges | (0.49) | (0.19) | (0.74) | - | (0.43) |
| Cumulative effect of change in accounting principle* | - | (0.03) | - | - | - |
| Net income | $ 0.73 | $ 1.79 | $ 1.33 | $ 2.07 | $ 1.12 |
| BASIC PER SHARE DATA | $ 0.74 | $ 1.81 | $ 1.35 | $ 2.11 | $ 1.14 |
| BALANCE SHEET DATA | | | | | |
| ASSETS | | | | | |
| Investments | $ 6,146 | $ 6,019 | $ 6,184 | $ 6,452 | $ 5,922 |
| Brokerage and consulting receivables | 7,033 | 6,952 | 6,230 | 5,423 | 5,320 |
| Intangible assets | 4,084 | 3,916 | 3,862 | 3,500 | 3,094 |
| Other | 5,123 | 5,364 | 4,856 | 4,313 | 4,355 |
| Total assets | $ 22,386 | $ 22,251 | $ 21,132 | $ 19,688 | $ 18,691 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Insurance premiums payable | $ 8,233 | $ 8,212 | $ 7,643 | $ 6,948 | $ 6,380 |
| Policy liabilities | 4,990 | 4,977 | 5,106 | 4,823 | 4,450 |
| Notes payable | 1,694 | 1,798 | 1,611 | 1,423 | 1,137 |
| General liabilities | 3,098 | 3,026 | 2,871 | 2,627 | 3,052 |
| Total liabilities | 18,015 | 18,013 | 17,231 | 15,821 | 15,019 |
| Redeemable preferred stock | 50 | 50 | 50 | 50 | 50 |
| Capital securities | 800 | 800 | 800 | 800 | 800 |
| Stockholders' equity | 3,521 | 3,388 | 3,051 | 3,017 | 2,822 |
| Total liabilities and stockholders' equity | $ 22,386 | $ 22,251 | $ 21,132 | $ 19,688 | $ 18,691 |
| COMMON STOCK DATA | | | | | |
| Dividends paid per share | $ 0.895 | $ 0.87 | $ 0.82 | $ 0.73 | $ 0.68 |
| Stockholders' equity per share | 13.03 | 13.02 | 11.91 | 11.83 | 11.20 |
| Price range | 44.80-29.75 | 42 3/4-20 11/16 | 46 2/3-26 1/16 | 50 3/8-32 3/16 | 39 1/4-26 13/16 |
| Market price at year-end | 35.520 | 34.250 | 40.000 | 36.917 | 39.083 |
| Common stockholders | 13,273 | 13,687 | 13,757 | 12,294 | 12,698 |
| Shares outstanding (in millions) | 270.2 | 260.3 | 256.1 | 255.0 | 252.0 |

* Adoption of SEC Staff Accounting Bulletin 101, effective January 1, 2000, net of tax.
** Net of tax.

## QUARTERLY FINANCIAL DATA

| (millions except common stock and per share data) | 1Q | 2Q | 3Q | 4Q | 2001 |
|---|---|---|---|---|---|
| INCOME STATEMENT DATA | | | | | |
| Brokerage commissions and fees | $ 1,281 | $ 1,347 | $ 1,297 | $ 1,511 | $ 5,436 |
| Premiums and other | 508 | 492 | 510 | 517 | 2,027 |
| Investment income | 22 | 78 | 105 | 8 | 213 |
| Total revenue | $ 1,811 | $ 1,917 | $ 1,912 | $ 2,036 | $ 7,676 |
| Income before unusual and special charges | $ 63 | $ 118 | $ 104 | $ 92 | $ 377 |
| Unusual charges - World Trade Center ** | - | - | (32) | (9) | (41) |
| Special charges ** | (44) | (89) | - | - | (133) |
| Net income | $ 19 | $ 29 | $ 72 | $ 83 | $ 203 |
| DILUTIVE PER SHARE DATA | | | | | |
| Income before unusual and special charges | $ 0.23 | $ 0.44 | $ 0.38 | $ 0.33 | $ 1.37 |
| Unusual charges - World Trade Center | - | - | (0.12) | (0.03) | (0.15) |
| Special charges | (0.16) | (0.33) | - | - | (0.49) |
| Net income | $ 0.07 | $ 0.11 | $ 0.26 | $ 0.30 | $ 0.73 |
| BASIC NET INCOME PER SHARE | $ 0.07 | $ 0.11 | $ 0.26 | $ 0.30 | $ 0.74 |
| COMMON STOCK DATA | | | | | |
| Dividends paid per share | $ 0.22 | 0.225 | 0.225 | 0.225 | $ 0.895 |
| Stockholders' equity per share | 12.84 | 13.02 | 13.47 | 13.03 | 13.03 |
| Price range | 38.18-30.81 | 36.50-29.75 | 42-33.26 | 44.80-32.50 | 44.80-29.75 |
| Shares outstanding (in millions) | 261.9 | 266.5 | 269.2 | 270.2 | 270.2 |
| Average monthly trading volume (in millions) | 17.6 | 21.4 | 20.4 | 24.4 | 21.0 |

| (millions except common stock and per share data) | 1Q* | 2Q* | 3Q* | 4Q | 2000 |
|---|---|---|---|---|---|
| INCOME STATEMENT DATA | | | | | |
| Brokerage commissions and fees | $ 1,205 | $ 1,203 | $ 1,176 | $ 1,362 | $ 4,946 |
| Premiums and other | 468 | 491 | 476 | 486 | 1,921 |
| Investment income | 137 | 125 | 133 | 113 | 508 |
| Total revenue | $ 1,810 | $ 1,819 | $ 1,785 | $ 1,961 | $ 7,375 |
| Income before special charges and accounting change | $ 123 | $ 129 | $ 139 | $ 140 | $ 531 |
| Special charges ** | - | - | - | (50) | (50) |
| Cumulative effect of change in accounting principle* | (7) | - | - | - | (7) |
| Net income | $ 116 | $ 129 | $ 139 | $ 90 | $ 474 |
| DILUTIVE PER SHARE DATA | | | | | |
| Income before special charges and accounting change | $ 0.47 | $ 0.49 | $ 0.53 | $ 0.52 | $ 2.01 |
| Special charges | - | - | - | (0.19) | (0.19) |
| Cumulative effect of change in accounting principle* | (0.03) | - | - | - | (0.03) |
| Net income | $ 0.44 | $ 0.49 | $ 0.53 | $ 0.33 | $ 1.79 |
| BASIC NET INCOME PER SHARE | $ 0.44 | $ 0.50 | $ 0.53 | $ 0.34 | $ 1.81 |
| COMMON STOCK DATA | | | | | |
| Dividends paid per share | $ 0.21 | $ 0.22 | $ 0.22 | $ 0.22 | $ 0.87 |
| Stockholders' equity per share | 12.05 | 12.08 | 12.40 | 13.02 | 13.02 |
| Price range | 42 3/4-20 11/16 | 36 15/16-24 7/16 | 42-29 | 42 5/16-28 1/8 | 42-3/4-20-11/16 |
| Shares outstanding (in millions) | 255.9 | 255.0 | 256.1 | 260.3 | 260.3 |
| Average monthly trading volume (in millions) | 29.8 | 15.4 | 16.9 | 32.3 | 23.6 |

* Adoption of SEC Staff Accounting Bulletin 101, effective January 1, 2000, net of tax. Except for the cumulative adjustment, the impact of the change in accounting principle was not material to any quarter during 2000.

** Net of tax.

## OPERATING SEGMENTS

### INSURANCE BROKERAGE AND OTHER SERVICES

Around the world in hundreds of offices Aon's insurance professionals provide retail, reinsurance and wholesale brokerage services. Their expertise covers captive insurance company management, claims and loss cost control, underwriting management, premium finance, safety and loss control engineering and direct marketing to affinity groups.

Our client franchise is extensive and includes:

o multi-national corporations, middle market companies and small commercial clients served by our retail brokers
o insurance and reinsurance companies served by our reinsurance brokers, underwriting managers and claims professionals
o independent agents and brokers seeking access to specialty products and programs in markets served by our wholesale brokers and underwriting managers

Our professionals deliver integrated solutions that link advice, fulfillment and outsourcing as client needs dictate.

| | | |
|---|---|---|
| MICHAEL D. O'HALLERAN | DENNIS L. MAHONEY | DIRK P.M. VERBEEK |
| PAUL R. DAVIES | MICHAEL D. RICE | |

---

### CONSULTING

Our human capital consulting business has five major practices that serve three client segments-large multi-national corporations, middle market companies and small firms-with distinct products and services.

Our consulting professionals advise clients on:

o Employee benefits that attract and retain qualified employees
o Compensation strategies that motivate executives, salespeople and employees to achieve specific performance objectives
o Management consulting initiatives that improve processes, leadership, organization and human capital development
o Outsourcing solutions that streamline employment processing, performance improvement, benefits administration, individual enrollment and other employment services
o Communications that support their corporate visions and align their employees' behavior with organizational objectives

**DONALD C. INGRAM**

---

### INSURANCE UNDERWRITING

Supplemental accident and health and life insurance products are provided to over 5 million policyholders worldwide through a salesforce of nearly 7,000 throughout North America, Latin America, Europe and Asia/Pacific.

Warranty products and services are delivered to the world's premier manufacturers, distributors and retailers of almost every type of consumer good including vehicles, electronics, appliances, computers and telephone equipment, as well as extended service plans and warranties for home buyers and sellers.

All of Aon's insurance underwriting businesses are expected to be spun off under a new company, Combined Specialty Corporation, in spring 2002. New commercial property and casualty insurance product lines will be offered to clients through a broad distribution network.

**DENNIS B. REDING RICHARD M. RAVIN DAVID L. COLE**

## BOARD OF DIRECTORS

**PATRICK G. RYAN**
Chairman and
Chief Executive Officer

**FRANKLIN A. COLE**
Chairman
Croesus Corporation

**EDGAR D. JANNOTTA**
Chairman
William Blair & Company, L.L.C.

**LESTER B. KNIGHT**
Founding Partner
RoundTable Healthcare Partners

**PERRY J. LEWIS**
Advisory Director
CRT Capital Group, L.L.C.

**ANDREW J. MCKENNA**
Chairman and
Chief Executive Officer
Schwarz

**ROBERT S. MORRISON**
Chairman, President and
Chief Executive Officer
The Quaker Oats Company

**RICHARD C. NOTEBAERT**
President and
Chief Executive Officer
Tellabs, Inc.

**MICHAEL D. O'HALLERAN**
President and
Chief Operating Officer

**DONALD S. PERKINS**
Chairman of the Board (retired)
Jewel Companies Inc.

**JOHN W. ROGERS, JR.**
Chairman and Chief Executive Officer
Ariel Capital Management, Inc.
Trustee-Ariel Mutual Funds

**GEORGE A. SCHAEFER**
Chairman of the Board (retired)
Caterpillar Inc.

**RAYMOND I. SKILLING**
Executive Vice President
and Chief Counsel

**FRED L. TURNER**
Senior Chairman
McDonald's Corporation

**ARNOLD R. WEBER**

President Emeritus
Northwestern University

**CAROLYN Y. WOO**
Dean
Mendoza College of Business
University of Notre Dame

## CORPORATE OFFICERS

**PATRICK G. RYAN**
Chairman and
Chief Executive Officer

**MICHAEL D. O'HALLERAN**
President and
Chief Operating Officer

JUNE E. DREWRY
Executive Vice President
and Chief Information Officer

**HARVEY N. MEDVIN**
Executive Vice President
and Chief Financial Officer

**ROBERT A. ROSHOLT**
**Executive Vice President**

**RAYMOND I. SKILLING**
Executive Vice President
and Chief Counsel

**MICHAEL A. CONWAY**
Senior Vice President and
Senior Investment Officer

**JOSEPH J. PROCHASKA, JR.**
Senior Vice President
and Controller

**GARY A. ACKLAND**
Vice President
Internal Audit

**JEROME I. BAER**
Vice President
Taxes

**KEVANN M. COOKE**
Vice President and
Corporate Secretary

**MELODY L. JONES**
Vice President
Human Resources

**SEAN P. O'NEILL**
Vice President
Financial Relations

**JOHN A. RESCHKE**
Vice President

**DIANE M. AIGOTTI**
**Treasurer**

**CORPORATE INFORMATION**

Aon Corporation
Aon Center
200 East Randolph Street
Chicago, Illinois 60601
(312) 381-1000

**STOCK TRADING**
Aon Corporation's common stock is listed on the New York Stock Exchange.

Trading Symbol: AOC

**ANNUAL STOCKHOLDERS' MEETING**
The 2002 Annual Meeting of Stockholders will be held on April 19, 2002 at 10:00 a.m. (CDT) at:

Bank One Auditorium
1 Bank One Plaza
10 South Dearborn Street
Chicago, Illinois 60670

**TRANSFER AGENT AND DIVIDENT REINVESTMENT**
Services Administrator
EquiServe Trust Company, N.A.
P.O. Box 2500
Jersey City, New Jersey 07303-2500

Within the U.S. and Canada: (800) 446-2617 Outside the U.S. and Canada: (201) 324-0498 TDD/TTY for hearing impaired: (201) 222-4955

Internet: www.equiserve.com

**STOCKHOLDER INFORMATION**
Copies of the Annual Report, Forms 10-K and 10-Q, and other Aon information may be obtained from our Internet web site, WWW.AON.COM, or by calling Stockholder Communications:

Within the U.S. and Canada: (888) 858-9587 Outside the U.S. and Canada: (858) 244-2082

**PRODUCTS AND SERVICES**

For a detailed list of Aon's products and services, please refer to our web site, WWW.AON.COM.

**INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS**

This annual report contains certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, depending on a variety of factors such as general economic conditions in different countries around the world, fluctuations in global equity and fixed-income markets, changes in commercial property and casualty premium rates, the competitive environment, the actual cost of resolution of contingent liabilities, the final form of the business transformation plan, the ultimate cost and timing of the implementation thereof, the actual cost savings and other benefits resulting therefrom, whether the Company ultimately implements the proposed spin-off of its underwriting operations, and the timing and terms associated therewith, and events surrounding the terrorist attacks of September 11, 2001, including the timing and resolution of related insurance and reinsurance issues.

- IBC -

Exhibit 21

| | |
|---|---|
| Aon Corporation | Delaware |
| 123 Newco, Inc. | Delaware |
| 1e Katharinastrase 29 Vermogensverwaltungsges mbH | Germany |
| 2e Katharinastrase 29 Vermogensverwaltungsges mbH | Germany |
| A Morel & Cie Sa | France |
| A. J. Norcott & Company (Holdings) Limited | United Kingdom |
| A. J. Norcott & Partners (Northern) Limited | United Kingdom |
| A.G.Y.C. Corretores de Seguros Lda. | Portugal |
| A.H. Laseur B.V. | Netherlands |
| A.H.E. Alexander Howden de Espana S.A. | Spain |
| A.H.O.H. (Bermuda) Limited | Bermuda |
| A/S Assurance | Norway |
| AARE Corporation | New York |
| ABS Insurance Agency Ltd. | United Kingdom |
| ACGMGA Corp. | Texas |
| ACN 004 192 394 Pty. Ltd. | Australia |
| ACN 006 278 226 | Australia |
| ACN 008 497 318 | Australia |
| ACN 051 158 984 | Australia |
| ACN 075 486 243 | Australia |
| ACP Insurance Agency, Inc. | Texas |
| Administradora Centurion Ltda | Colombia |
| Admiseg SA | Argentina |
| Advanced Risk Management Techniques, Inc. | California |
| Affinity Insurance Services, Inc. | Pennsylvania |
| Agencia Interoceanica de Subscripcion y Administracion S. A. | Mexico |
| AGISA, S.A. | Mexico |
| Agostini Insurance Brokers Ltd. | Trinidad |
| Agricola Training Limited | United Kingdom |
| Agricola Underwriting Limited | United Kingdom |
| Agricola Underwriting Management Limited | New Zealand |
| Agricola Underwriting Management Pty Ltd. | Australia |
| Agricultural Risk Management (Pacific) Ltd | New Zealand |
| Agricultural Risk Management Argentina S.A. | Argentina |
| Agricultural Risk Management Chile | Chile |
| Agricultural Risk Management Pty. Ltd. | Australia |
| Agricultural Risk Management, Limited | United Kingdom |
| Agte Gebruder GmbH | Germany |
| AHG Far East Ltd. | Hong Kong |

**Exhibit 21**

| | |
|---|---|
| Aidec Ciskei (Pty) Ltd. | South Africa |
| Aidec Gazankulu (Pty) Limited | South Africa |
| Aidec Kangwane (Pty) Limited | South Africa |
| Aidec Kwandebele (Pty) Limited | South Africa |
| Aidec Lebowa (Pty) Limited | South Africa |
| Aidec M.I.B. North West (Pty) Limited | South Africa |
| Aidec Venda (Pty) Limited | South Africa |
| Air-Con Solution Ltd. | Thailand |
| Aircrew Underwriting Agencies Ltd. | United Kingdom |
| Airscope Insurance Services Limited | United Kingdom |
| AIS Affinity Insurance Agency of New England, Inc. | Massachusetts |
| AIS Affinity Insurance Agency, Inc. | California |
| AIS Insurance Agency, Inc. | Washington |
| AIS Management Corporation | California |
| Alexander & Alexander  Ltd (Thailand) | Thailand |
| Alexander & Alexander (C.I.) Limited | Guernsey |
| Alexander & Alexander (Hong Kong) Holdings Limited | Hong Kong |
| Alexander & Alexander (Ireland) Limited | Ireland |
| Alexander & Alexander (Isle of Man) Limited | United Kingdom |
| Alexander & Alexander (Malaysia) Sdn. Bhd. | Malaysia |
| Alexander & Alexander (Thailand) Ltd. | Thailand |
| Alexander & Alexander Asia Holdings Pte. Ltd. | Singapore |
| Alexander & Alexander B.V. | Netherlands |
| Alexander & Alexander Consultants S.A. | France |
| Alexander & Alexander Corretores e Consultores de Seguros Lda. | Portugal |
| Alexander & Alexander Europe Ltd. | United Kingdom |
| Alexander & Alexander Far East Partners JV | Hong Kong |
| Alexander & Alexander Galicia, S.A. | Spain |
| Alexander & Alexander Group (Proprietary) Limited | South Africa |
| Alexander & Alexander Holdings B.V. | Netherlands |
| Alexander & Alexander Insurance Brokers Ltd. Poland | Poland |
| Alexander & Alexander International Inc. | Maryland |
| Alexander & Alexander Limited | United Kingdom |
| Alexander & Alexander Ltd. | Fiji |
| Alexander & Alexander Middle East Limited | Bermuda |
| Alexander & Alexander of Colombia Ltda. | Colombia |
| Alexander & Alexander of Kansas, Inc. | Kansas |
| Alexander & Alexander of Missouri Inc. | Missouri |
| Alexander & Alexander of Virginia, Inc. | Virginia |
| Alexander & Alexander of Washington Inc. | Washington |
| Alexander & Alexander Pte. Ltd. | Singapore |
| Alexander & Alexander Risk Management Services Ltd. | Taiwan |
| Alexander & Alexander Services (India) Pvt. Ltd. | India |
| Alexander & Alexander Services Canada Inc. | Canada |

| | |
|---|---|
| Alexander & Alexander Services UK Limited | Scotland |
| Alexander & Alexander Trustee Jersey Ltd. | Jersey, Channel Islands |
| Alexander & Alexander U.K. Pension Trustees Ltd. | United Kingdom |
| Alexander & Alexander, Inc. | Oklahoma |
| Alexander & Alexander, Inc. | West Virginia |
| Alexander & Davidson de Colombia LTDA. | Colombia |
| Alexander Administration Services Ltd. | Isle of Man |
| Alexander Clay | United Kingdom |
| Alexander Clay Communications Limited | United Kingdom |
| Alexander Consulting Groep B.V. | Netherlands |
| Alexander Coyle Hamilton Ltd. | Ireland |
| Alexander Financial Services Limited | Scotland |
| Alexander Hellas E.P.E. | Greece |
| Alexander Howden (Hellas) Ltd. | Guernsey |
| Alexander Howden (Kazakhstan) Ltd. | Kazakhstan |
| Alexander Howden Asia Pacific Ltd. | United Kingdom |
| Alexander Howden de Espana | Spain |
| Alexander Howden Del Peru S.A. Reinsurance Brokers | Peru |
| Alexander Howden Energy & Partners Scandinavia | Norway |
| Alexander Howden Far East Pte. Ltd. | Singapore |
| Alexander Howden Financial Services Limited | United Kingdom |
| Alexander Howden Group (Asia) Pte. Ltd. | Singapore |
| Alexander Howden Group (Bermuda) Limited | Bermuda |
| Alexander Howden Group Agency Management Limited | UK |
| Alexander Howden Group Far East Ltd. | Hong Kong |
| Alexander Howden Holdings Limited | United Kingdom |
| Alexander Howden Insurance Services of Texas, Inc. | Texas |
| Alexander Howden International Limited | United Kingdom |
| Alexander Howden Leasing Ltd. | United Kingdom |
| Alexander Howden Limited | United Kingdom |
| Alexander Howden North America, Inc. | Georgia |
| Alexander Howden North America, Inc. | Massachusetts |
| Alexander Howden North America, Inc. | New York |
| Alexander Howden North America, Inc. | Ohio |
| Alexander Howden North America, Inc. | Texas |
| Alexander Howden Ossa De Colombia SA | Colombia |
| Alexander Howden Previsionales y Personas Ltda. | Colombia |
| Alexander Howden Reinsurance Intermediaries, Inc. | New York |
| Alexander Howden UK Limited | United Kingdom |
| Alexander Howden Underwriting Limited | United Kingdom |
| Alexander Howden Y Asociados S.A. de C.V. | Mexico |
| Alexander Insurance Managers (Barbados) Ltd. | Barbados |
| Alexander Insurance Managers (Cayman) Ltd. | Cayman Islands |
| Alexander Insurance Managers (Dublin) Ltd. | Ireland |

| | |
|---|---|
| Alexander Insurance Managers (Guernsey) Ltd. | Guernsey |
| Alexander Insurance Managers (Holdings) Ltd. | Guernsey |
| Alexander Insurance Managers (Isle of Man) Ltd. | Isle of Man |
| Alexander Insurance Managers (Jersey) Ltd. | Jersey, Channel Islands |
| Alexander Insurance Managers (Luxembourg) S.A. | Luxembourg |
| Alexander Insurance Managers Ltd. | Bermuda |
| Alexander Insurance Managers N.V. | Netherland Antilles |
| Alexander Lippo (Hong Kong) Ltd. | Hong Kong |
| Alexander PFV (Proprietary) Limited | South Africa |
| Alexander R.M.C. Brown Partners Ltd. | Australia |
| Alexander Reinsurance Intermediaries, Inc. | New York |
| Alexander Services, Inc. | Illinois |
| Alexander Stenhouse & Partners Limited | Scotland |
| Alexander Stenhouse Australia Holdings Ltd. | Australia |
| Alexander Stenhouse Belgium International | Belgium |
| Alexander Stenhouse Limited | United Kingdom |
| Alexander Stenhouse Magee Limited | Ireland |
| Alexander Stenhouse Management Services Ltd. | Scotland |
| Alexander Stenhouse Risk Management S.A. | Spain |
| Alexander Underwriting Agencies Limited | Bermuda |
| Alexander Underwriting Services Limited | United Kingdom |
| Alexander, Ayling, Barrios & Cia, S.A. | Argentina |
| Algemeen Asurantiekantoor van 1863 Justin van de Port bv | Netherlands |
| Allen Insurance Associates, Inc. | California |
| Alternative Market Operations (Aust) Pty. Ltd. | Australia |
| AMC Worldwide Limited | United Kingdom |
| American Insurance Services Corp. | Texas |
| American Risk Management Corp. | Ohio |
| American Special Risk Insurance Company | Delaware |
| Anchor Reinsurance Company, Ltd. | Bermuda |
| Anchor Underwriting Managers, Ltd. | Bermuda |
| Anderson and Anderson Insurance Brokers, Inc. | California |
| Anderson and Anderson of Los Angeles Insurance Brokers, Inc. | California |
| Anderson and Anderson of Orange County Insurance Brokers, Inc. | California |
| Anderson and Anderson/Benefits Insurance Brokers, Inc. | California |
| Anderson and Anderson/D-K&S Insurance Brokers, Inc. | California |
| Andes Global Ltd. | Brit. Virgin Islands |
| Anglo-Swiss Reinsurance Brokers Ltd. | Switzerland |
| Anistics Ltd. | United Kingdom |
| ANR Engineering Limited | United Kingdom |
| Anscor Insurance Brokers Inc. | Philippines |
| Aon (Panama) Ltd. S.A. | Panama |
| Aon Acquisition Corporation of Arkansas | Arkansas |
| Aon Acquisition Corporation of New Jersey | New Jersey |

| | |
|---|---|
| Aon Adjudication Services Limited | United Kingdom |
| Aon Administration Inc. | Delaware |
| Aon Administrative Services (Phils.) Corp. | Philippines |
| Aon Administrative Services Corp. | California |
| Aon Advisors (UK) Limited | United Kingdom |
| Aon Advisors, Inc. | Virginia |
| Aon Aisa Ltd. | Hong Kong |
| Aon Alexander & Alexander nv | Belgium |
| Aon Alexander Clay Limited | United Kingdom |
| Aon Alexander Limited | United Kingdom |
| Aon Andueza Nikols, Corredores de Seguros S.A. | Chile |
| Aon Annuity Group, Inc. | Texas |
| Aon Antillen nv | Netherland Antilles |
| Aon Artscope Kunstversicherungsmakler GmbH | Germany |
| Aon Aruba nv | Netherland Antilles |
| Aon Asia Insurance Services bv | Netherlands |
| Aon Assurances Credit SA | France |
| Aon Aviation, Inc. | Illinois |
| Aon Bain Hogg Limited | United Kingdom |
| Aon Belgium nv | Belgium |
| Aon Benefit Services, Inc. | Massachusetts |
| Aon Benefits Insurance Brokers (Singapore) Pte. Ltd. | Singapore |
| Aon BEP Inc. | Quebec |
| Aon Brasil Resseguros Ltda. | Brazil |
| Aon Brazil Corretores de Seguros Ltda. | Brazil |
| Aon Broker Services, Inc. | Illinois |
| Aon Broking Services S.A. | Argentina |
| Aon Canada Inc. | Canada |
| Aon Capital A | Delaware |
| Aon Capital Markets Limited | United Kingdom |
| Aon Captive Management, Ltd. | U.S. Virgin Islands |
| Aon Captive Services (Nederland) bv | Netherlands |
| Aon Captive Services Antilles nv | Netherland Antilles |
| Aon Captive Services Aruba nv | Netherland Antilles |
| Aon Centurion S.A. Corredores de Seguros | Colombia |
| Aon Ceska republika spol. s.r.o. | Czech Republic |
| Aon Club Shopper Limited | United Kingdom |
| Aon Colombia S.A. Corredores de Seguros | Colombia |
| Aon Commercial Risks Hong Kong Ltd. | Hong Kong |
| Aon Conseil et Courtage | France |
| Aon Conseil, Assurances de Personnes SA | France |
| Aon Consulting & Insurance Services | California |
| Aon Consulting (Malaysia) Sdn Bhd. | Malaysia |
| Aon Consulting Agency, Inc. | Texas |

| | |
|---|---|
| Aon Consulting Belgium SA | Belgium |
| Aon Consulting Chile Limitada | Chile |
| Aon Consulting Compensation & Benefits Limited | United Kingdom |
| Aon Consulting Consultores de Seguros Ltda. | Brazil |
| Aon Consulting Financial Services Limited | United Kingdom |
| Aon Consulting Financial Services Limited | United Kingdom |
| Aon Consulting GmbH | Germany |
| Aon Consulting Group Limited | United Kingdom |
| Aon Consulting Hong Kong Ltd. | Hong Kong |
| Aon Consulting Inc. | Canada |
| Aon Consulting Limited | United Kingdom |
| Aon Consulting Nederland cv | Netherlands |
| Aon Consulting New Zealand Ltd. | New Zealand |
| Aon Consulting Pty Limited | Australia |
| Aon Consulting S.A. | Colombia |
| Aon Consulting South Africa (Pty) Ltd. | South Africa |
| Aon Consulting Thailand Ltd. | Thailand |
| Aon Consulting Worldwide, Inc. | Maryland |
| Aon Consulting, Inc. | New York |
| Aon Consulting, Inc. | New Jersey |
| Aon Consulting, Inc. | Ohio |
| Aon Consulting, Inc. | Texas |
| Aon Consulting, Inc. | Florida |
| Aon Consulting, Inc. of Arizona | Arizona |
| Aon Consulting, Inc. of New Jersey | Delaware |
| Aon Consulting, Limited | Quebec |
| Aon Consulting, S.A. de C.V. | Mexico |
| Aon Corporation Australia Ltd. | Australia |
| Aon Credit Services Corporation | Delaware |
| Aon CSC Corredores de Reaseguros Limitada | Chile |
| Aon Denmark A/S | Denmark |
| Aon Direct Group Inc. | Canada |
| Aon Direct Group Small Company Life and Health Agents | Illinois |
| Aon Eesti AS | Estonia |
| Aon Employee Risk Solutions Limited | United Kingdom |
| Aon Enterprise Insurance Services, Inc. | Illinois |
| Aon Enterprise Insurance Services, Inc. | Texas |
| Aon Entertainment Risk Services Limited | United Kingdom |
| Aon Fiduciary Counselors Inc. | Delaware |
| Aon Finance Limited | United Kingdom |
| Aon Financial Advisor Services Pty. Limited | Australia |
| Aon Financial Planning & Protection Pty. Ltd. | Australia |
| Aon Financial Planning Ltd. | Australia |
| Aon Financial Products, Inc. | Delaware |

| | |
|---|---|
| Aon Financial Services Australia Holdings Limited | Australia |
| Aon Financial Services Australia Limited | Australia |
| Aon Financial Services Group of Colorado, Inc. | Colorado |
| Aon Financial Services Group of New York, Inc. | New York |
| Aon Financial Services Group, Inc. | California |
| Aon Financial Services Group, Inc. | Illinois |
| Aon Financial Services Group, Inc. | Pennsylvania |
| Aon Financial Services Group, Inc. | Texas |
| Aon Financial Services Limited | United Kingdom |
| Aon Financial, Inc. | Delaware |
| Aon Finland OY | Finland |
| Aon Forfaiting Limited | United Kingdom |
| Aon France S.A. | France |
| Aon Funds | Delaware |
| Aon General Agency, Inc. | Texas |
| Aon General Consulting Ltda. | Brazil |
| Aon GGI Acquisition Corporation, Inc. | Texas |
| Aon Gil y Carvajal Correduria de Seguros, SA | Spain |
| Aon Gil y Carvajal Flotas, SA | Spain |
| Aon Gil y Carvajal Portugal - Corretores de Seguros SA | Portugal |
| Aon Global Risk Consultants Limited | United Kingdom |
| Aon Grieg AS | Norway |
| Aon Grieg P&I AS | Norway |
| Aon Groep Nederland bv | Netherlands |
| Aon Group Australia Limited (Australia) | Australia |
| Aon Group Corretagem, Administracao e Consultoria de Seguros Ltda | UK |
| Aon Group Ecuador S.A. Intermediaria de Reaseguros | Ecuador |
| Aon Group Limited de Argentina S.A. | Argentina |
| Aon Group Limited de Mexico, Intermediario de Reaseguro, S.A. de C.V | Mexico |
| Aon Group Ltd. Peru S.A. | Peru |
| Aon Group New Zealand Ltd. | New Zealand |
| Aon Group Nominee Pty. Ltd. | Australia |
| Aon Group Venezuela, Corretaje de Reaseguro, C.A. | Venezuela |
| Aon Group, Inc. | Maryland |
| Aon Hamond & Regine, Inc. | New York |
| Aon Hazard Limited | United Kingdom |
| Aon Health Services Inc. | Texas |
| Aon Healthcare Alliance Limited | United Kingdom |
| Aon Healthcare Insurance Services of Arizona, Inc. | Arizona |
| Aon Healthcare Insurance Services, Inc. | California |
| Aon Hellas A.E. | Greece |
| Aon Holdings Antillen nv | Netherland Antilles |
| Aon Holdings Australia Ltd. | Australia |
| Aon Holdings Belgium SA | Belgium |

| | |
|---|---|
| Aon Holdings bv | Netherlands |
| Aon Holdings Hong Kong Limited | Hong Kong |
| Aon Holdings International BV | Netherlands |
| Aon Holdings New Zealand Ltd. | New Zealand |
| Aon Home Warranty Services, Inc. | Delaware |
| Aon Hudig Groningen bv | Netherlands |
| Aon Hudig Hengelo bv | Netherlands |
| Aon Hudig Nijmegen bv | Netherlands |
| Aon Hudig Noordwijk bv | Netherlands |
| Aon Hudig Tilburg bv | Netherlands |
| Aon Hudig Venlo bv | Netherlands |
| Aon Hudig-Schreinemacher vof | Netherlands |
| Aon India Limited | United Kingdom |
| Aon Innovative Solutions, Inc. | Missouri |
| Aon Insurance Agencies Pte Ltd | Singapore |
| Aon Insurance Management Agencies (Hong Kong) Ltd. | Hong Kong |
| Aon Insurance Management Services - Virgin Islands, Inc. | U.S. Virgin Islands |
| Aon Insurance Management Services, Inc. | Delaware |
| Aon Insurance Managers (Antilles) nv | Netherland Antilles |
| Aon Insurance Managers (Bermuda) Ltd. | Bermuda |
| Aon Insurance Managers (Singapore) Pte. Ltd. | Singapore |
| Aon Insurance Managers (USA) Inc. | Vermont |
| Aon Insurance Micronesia (Guam) Inc. | Guam |
| Aon Insurance Services | California |
| Aon Insurance Services, Inc. | Pennsylvania |
| Aon Intermediaries (Bermuda) Ltd. | Bermuda |
| Aon Intermediaries Limited | United Kingdom |
| Aon International bv | Netherlands |
| Aon Investment Consulting Inc. | Florida |
| Aon Investment Holdings, Inc. | Delaware |
| Aon Investor Strategies, Inc. | Delaware |
| Aon Italia SpA | Italy |
| Aon Jauch & Hubener Consulting GmbH | Germany |
| Aon Jauch & Hubener GmbH | Germany |
| Aon Jauch & Hubener Holdings Gmbh | Germany |
| Aon Jauch & Hubener Privates Vorsorgemanagement GmbH | Germany |
| Aon Jauch & Hubener Versicherungsconsulting Ges. mbH | Austria |
| Aon Jauch & Hubener Verwaltungs- GmbH | Germany |
| Aon Korea, Inc. | Korea |
| Aon Life Agency of Texas, Inc. | Texas |
| Aon Limited | United Kingdom |
| Aon Lumley Consulting (Pty) Ltd. | South Africa |
| Aon Lumley South Africa (Pty) Ltd. | South Africa |
| Aon Magyarorszag Alkusz Kft. | Hungary |

| | |
|---|---|
| Aon makelaars in assurantien bv | Netherlands |
| Aon Malawi Ltd. | Malawi |
| Aon Malta Ltd. | Malta |
| Aon Managed Care Risk & Insurance Services, Inc. | California |
| Aon Middle East | United Arab Emirates |
| Aon Minet Insurance Brokers Ltd. | Kenya |
| Aon Minet Ltd. | New Zealand |
| Aon Mozambique Ltd. | Mozambique |
| Aon Natural Resources Asia Ltd. | Labuan |
| Aon Natural Resources South Africa (Pty) LTd. | South Africa |
| Aon Nederland cv | Netherlands |
| Aon Netherlands b.v. | Netherlands |
| Aon New Jersey Holding Corporation | New Jersey |
| Aon Nikols Adriatica Srl | Italy |
| Aon Nikols bv | Netherlands |
| Aon Nikols Chile bv | Netherlands |
| Aon Nikols Colombia Holdings SA | Colombia |
| Aon Nikols International Sarl. | Brit. Virgin Islands |
| Aon Nikols International Sarl. | Luxembourg |
| Aon Nikols Latin America bv | Netherlands |
| Aon Nikols N.E. SpA | Italy |
| Aon Nikols NBB Srl | Italy |
| Aon Nikols Srl | Italy |
| Aon Nikols Torino Srl. | Italy |
| Aon Nominees Limited | United Kingdom |
| Aon Ossa Limitada, Corredores de Reaseguros | Colombia |
| Aon Overseas Holdings Limited | United Kingdom |
| Aon OWA Insurance Services GmbH & Co. | Germany |
| Aon OWA Verwaltungs GmbH | Germany |
| Aon Parizeau Inc. | Canada |
| Aon Partnership Limited | United Kingdom |
| Aon Pension Trustees Limited | United Kingdom |
| Aon PHI Acquisition Corporation of California | California |
| Aon Pilar Corretora E Servicos de Seguros S/C Ltda. | Brazil |
| Aon Polska sp.z.o.o. | Poland |
| Aon Previsonals y Personas Ltda, Corredores de Reaseguros y Consultor | Colombia |
| Aon Private Client Insurance Agency, Inc. | Illinois |
| Aon Private Risk Management Insurance Agency, Inc. | Illinois |
| Aon Properties Limited | United Kingdom |
| Aon Pyramid International Limited | United Kingdom |
| Aon Re (Bermuda) Ltd. | Bermuda |
| Aon Re (Thailand) Ltd. | Thailand |
| Aon Re Africa (Pty) Ltd. | South Africa |
| Aon Re Belgium nv | Belgium |

| | |
|---|---|
| Aon Re Canada Inc. | Canada |
| Aon Re China Ltd. | Hong Kong |
| Aon Re Iberia SA | Spain |
| Aon Re Inc. | Illinois |
| Aon Re Italia S.p.A. | Italy |
| Aon Re Latinoamericana, S.A. | Mexico |
| Aon Re Netherlands cv | Netherlands |
| Aon Re Non-Marine Limited | United Kingdom |
| Aon Re Panama, S.A. | Panama |
| Aon Re Special Risks Limited | United Kingdom |
| Aon Re UK Limited | United Kingdom |
| Aon Re Worldwide, Inc. | Delaware |
| Aon Real Estate Services, Inc. | New York |
| Aon Realty Services, Inc. | Pennsylvania |
| Aon Reed Stenhouse Inc. | Canada |
| Aon Reinsurance Australia Limited (Australia) | Australia |
| Aon Reinsurance Brokers Asia Pte Ltd. | Singapore |
| Aon Risconcept Inc. | Canada |
| Aon Risk Consultants (Bermuda ) Ltd. | Bermuda |
| Aon Risk Consultants (Europe) Limited | United Kingdom |
| Aon Risk Consultants bv | Netherlands |
| Aon Risk Consultants, Inc. | Illinois |
| Aon Risk Management Services Italia srl. | Italy |
| Aon Risk Managers, Inc. | Illinois |
| Aon Risk Resources Insurance Agency, Inc. | Illinois |
| Aon Risk Resources Limited | United Kingdom |
| Aon Risk Resources, Inc. | Delaware |
| Aon Risk Services (Barbados) Ltd. | Barbados |
| Aon Risk Services (Cayman) Ltd. | Cayman Islands |
| Aon Risk Services (Chile) S.A. | Chile |
| Aon Risk Services (Europe) S.A. | Luxembourg |
| Aon Risk Services (Fiji) Ltd. | Fiji |
| Aon Risk Services (Holdings) of Latin America, Inc. | Delaware |
| Aon Risk Services (Holdings) of the Americas, Inc. | Illinois |
| Aon Risk Services (Ireland) Limited | Ireland |
| Aon Risk Services (Solomon Islands) Ltd. | Australia |
| Aon Risk Services (Thailand) Ltd. | Thailand |
| Aon Risk Services (Vanuatu) Ltd. | Vanuatu |
| Aon Risk Services (Western Samoa) Ltd. | American Samoa |
| Aon Risk Services Agente de Seguros y de Fianzas, S.A. de C.V. | Mexico |
| Aon Risk Services Argentina SA | Argentina |
| Aon Risk Services Australia Ltd. | Australia |
| Aon Risk Services Canada Inc. | Canada |
| Aon Risk Services Companies, Inc. | Maryland |

Aon Risk Services Do Brazil Corretores de Seguros Ltda. Brazil

| | |
|---|---|
| Aon Risk Services Holdings (Chile) Ltda. | Chile |
| Aon Risk Services Holdings UK Limited | United Kingdom |
| Aon Risk Services Hong Kong Ltd. | Hong Kong |
| Aon Risk Services International (Holdings) Inc. | Delaware |
| Aon Risk Services International Limited | United Kingdom |
| Aon Risk Services Japan Ltd. | Japan |
| Aon Risk Services Limited | United Kingdom |
| Aon Risk Services New Zealand Ltd. | United Kingdom |
| Aon Risk Services New Zealand Pty. Ltd. | New Zealand |
| Aon Risk Services of Missouri, Inc. | Missouri |
| Aon Risk Services of Texas, Inc. | Texas |
| Aon Risk Services PNG Pty. Ltd. | Papau New Guinea |
| Aon Risk Services Singapore (Insurance Brokers) Pte. Ltd. | Singapore |
| Aon Risk Services Solomon Islands Ltd. | Solomon Islands |
| Aon Risk Services Taiwan Ltd. | Taiwan |
| Aon Risk Services UK Limited | United Kingdom |
| Aon Risk Services, Inc. of Arizona | Arizona |
| Aon Risk Services, Inc. of Arkansas | Arkansas |
| Aon Risk Services, Inc. of Central California Insurance Services | California |
| Aon Risk Services, Inc. of Colorado | Colorado |
| Aon Risk Services, Inc. of Connecticut | Connecticut |
| Aon Risk Services, Inc. of Florida | Florida |
| Aon Risk Services, Inc. of Georgia | Georgia |
| Aon Risk Services, Inc. of Hawaii | Hawaii |
| Aon Risk Services, Inc. of Idaho | Idaho |
| Aon Risk Services, Inc. of Illinois | Illinois |
| Aon Risk Services, Inc. of Indiana | Indiana |
| Aon Risk Services, Inc. of Kansas | Kansas |
| Aon Risk Services, Inc. of Kentucky | Kentucky |
| Aon Risk Services, Inc. of Louisiana | Louisiana |
| Aon Risk Services, Inc. of Maryland | Maryland |
| Aon Risk Services, Inc. of Massachusetts | Massachusetts |
| Aon Risk Services, Inc. of Michigan | Michigan |
| Aon Risk Services, Inc. of Minnesota | Minnesota |
| Aon Risk Services, Inc. of Montana | Montana |
| Aon Risk Services, Inc. of Nebraska | Nebraska |
| Aon Risk Services, Inc. of Nevada | Nevada |
| Aon Risk Services, Inc. of New Jersey | New Jersey |
| Aon Risk Services, Inc. of New Mexico | New Mexico |
| Aon Risk Services, Inc. of New York | New York |
| Aon Risk Services, Inc. of Northern California Insurance Services | California |
| Aon Risk Services, Inc. of Ohio | Ohio |
| Aon Risk Services, Inc. of Oklahoma | Oklahoma |

| | |
|---|---|
| Aon Risk Services, Inc. of Oregon | Oregon |
| Aon Risk Services, Inc. of Pennsylvania | Pennsylvania |
| Aon Risk Services, Inc. of Rhode Island | Rhode Island |
| Aon Risk Services, Inc. of Southern California Insurance Services | California |
| Aon Risk Services, Inc. of Tennessee | Tennessee |
| Aon Risk Services, Inc. of the Carolinas | North Carolina |
| Aon Risk Services, Inc. of Utah | Utah |
| Aon Risk Services, Inc. of Virginia | Virginia |
| Aon Risk Services, Inc. of Washington | Washington |
| Aon Risk Services, Inc. of Washington, D.C. | District of Columbia |
| Aon Risk Services, Inc. of Wisconsin | Wisconsin |
| Aon Risk Services, Inc. of Wyoming | Wyoming |
| Aon Risk Services, Inc. U.S.A. | New York |
| Aon Risk Technologies, Inc. | Delaware |
| Aon S.G.C.A. SA | France |
| Aon Securities Corporation | New York |
| Aon Select Limited | United Kingdom |
| Aon Service Corporation | Illinois |
| Aon Services Group Limited | United Kingdom |
| Aon Services Group of Tennessee, Inc. | Tennessee |
| Aon Services Group, Inc. | Delaware |
| Aon Sigorta Brokerlik ve Musavirlik AS | Turkey |
| Aon Slovensko spol.s r.o. | Slovak Republic |
| Aon South Africa (Pty) Ltd. | South Africa |
| Aon Southern Europe b.v. | Netherlands |
| Aon Space SA | France |
| Aon Space, Inc. | District of Columbia |
| Aon Special Risk Resources Limited | United Kingdom |
| Aon Special Risk Resources, Inc. | Delaware |
| Aon Special Risks, Inc. | Illinois |
| Aon Specialty Re, Inc. | Illinois |
| Aon Stockholm AB | Sweden |
| Aon Superannuation Pty Limited | Australia |
| Aon Suretravel Limited | United Kingdom |
| Aon Surety & Guarantee Limited | United Kingdom |
| Aon Sweden AB | Sweden |
| Aon Tanzania Ltd. | Tanzania |
| Aon Technical Insurance Services, Inc. | Illinois |
| Aon Trade Credit Insurance Brokers S.r.l. | Italy |
| Aon Trade Credit Insurance Services, Inc. | California |
| Aon Trade Credit Limited | United Kingdom |
| Aon Trade Credit, Inc. | New York |
| Aon Trade Credit, Inc. | Illinois |
| Aon Trust Corporation Limited | United Kingdom |

| | |
|---|---|
| Aon UK Holdings Limited | United Kingdom |
| Aon UK Limited | United Kingdom |
| Aon UK Trustees Limited | United Kingdom |
| Aon Underwriting Agencies (Hong Kong) Ltd. | Hong Kong |
| Aon Vietnam | Vietnam |
| Aon WACUS Kreditversicherungsmakler GmbH & Co. KG | Germany |
| Aon WACUS Verwaltungs GmbH | Germany |
| Aon Warranty Group Limited (UK) | United Kingdom |
| Aon Warranty Group, Inc. | Illinois |
| Aon Warranty Korea, Inc. | Korea |
| Aon Warranty Services de Mexico S.A. de C.V. | Mexico |
| Aon Warranty Services do Brasil Ltda. | Brazil |
| Aon Warranty Services, Inc. | Illinois |
| Aon Wealth Management Inc. | Canada |
| Aon-Baoviet Inchcape Insurance Services Limited | Vietnam |
| Aon-Lihou-Uzbekinsurance Limited | Republic of Uzbekistan |
| Aon/Albert G. Ruben Company (New York) Inc. | New York |
| Aon/Albert G. Ruben Insurance Services, Inc. | California |
| Aon/Brockinton Agency of Texas, Inc. | Texas |
| Aon/Saiz Limitada Barranquilla Corredores de Seguros | Colombia |
| Aongyc - Resseguros e Consultores de Seguros, Lda | Portugal |
| AonLine Services, Inc. | Illinois |
| AOPA Insurance Agency, Inc. | Maryland |
| AOPA Insurance Agency, Inc. | Texas |
| APAC (Alliance Pour l'Assurance Credit) Sarl | France |
| Aporia Leasing Limited | United Kingdom |
| APS International Limited | United Kingdom |
| APS Life & Pensions Limited | United Kingdom |
| Argenbroker Buenos Aires | Argentina |
| ARM COVERAGE INC. | New York |
| ARM International Corp. | New York |
| ARM International Insurance Agency Corp. | Ohio |
| ARMRISK Corp. | New Jersey |
| ARMRISK CORP. (NY) | New York |
| ARS (PNG) Ltd. | Australia |
| ARS Holdings, Inc. | Louisiana |
| Artemis Securities Ltd. | Guernsey |
| Artscope Insurance Services Limited | United Kingdom |
| Artscope International Insurance Services Limited | United Kingdom |
| ASA Communications, Inc. | Delaware |
| ASA Financial Services, Inc. | Delaware |
| ASA Global Services Inc. | Ontario |
| Ascom Nijmegen B.V. | Netherlands |
| ASCOMIN S.A. | Belgium |

| | |
|---|---|
| Asesores Kennedy Agente de Seguros y de Fianzas, S.A. de C.V. | Mexico |
| Asesores y Corredores De Seguros, S.A. | Republica Dominica |
| Asharo bv | Netherlands |
| ASI Solutions Incorporated | Delaware |
| Asian American Finance Limited | Bermuda |
| Asian Reinsurance Underwriters Limited | Hong Kong |
| Assekurazkontor fur Industrie und Verkehr GmbH | Germany |
| Assessment Solutions Incorporated | New York |
| Asset Security Managers Limited | United Kingdom |
| Assidoge Srl | Italy |
| Associated Brokers International | Zimbabwe |
| Associated Fund Adminstrators Botswana (Pty) Limited | Botswana |
| Associated Ins. Broker of Botswana | Botswana |
| Associates Dealer Group of Bellevue, Washington, Inc. | Washington |
| Association of Real Estate and Real Estate Related Professionals | Missouri |
| Association of Rural and Small Town Americans | Missouri |
| Assurance et Courtages Reunis pour la Gestion - ACR Gestion SAS | France |
| Assurantie Groep Langeveldt c.v. | Netherlands |
| Atlanta International Insurance Company | New York |
| Attorneys' Advantage Insurance Agency, Inc. | Illinois |
| Auto Conduit Corporation, The | Delaware |
| Auto Insurance Specialists - Bay Area, Inc. | California |
| Auto Insurance Specialists - Inland Empire, Inc. | California |
| Auto Insurance Specialists - Long Beach, Inc. | California |
| Auto Insurance Specialists - Los Angeles, Inc. | California |
| Auto Insurance Specialists - Newport, Inc. | California |
| Auto Insurance Specialists - San Gabriel Valley, Inc. | California |
| Auto Insurance Specialists - Santa Monica, Inc. | California |
| Auto Insurance Specialists - Valley, Inc. | California |
| Auto Insurance Specialists, Incorporated | California |
| Automotive Warranty Services of Florida, Inc. | Florida |
| Automotive Warranty Services, Inc. | Delaware |
| AV Agrar Versicherungsdienst GmbH | Germany |
| Ayala Aon Insurance Brokers, Inc. | Philippines |
| Ayala-Bain Insurance Company | Philippines |
| B E P International (Canada) Holding Inc. | Canada |
| B E P International Corp. | New Jersey |
| B E P International Holding Inc. | Canada |
| B E P International US Inc. | Delaware |
| B.L. Carnie Hogg Robinson Ltd. | United Kingdom |
| B.N.H. Group Ltd. | United Kingdom |
| B.V. Assurantiekantoor Langeveldt-Schroder | Netherlands |
| Bailiwick Consultancy & Management Co. Ltd. | Guernsey |
| Bain Clarkson (UK) Limited | United Kingdom |

| | |
|---|---|
| Bain Clarkson Consulting AB | Sweden |
| Bain Clarkson Forsakringskonsult AB, Stockholm | Sweden |
| Bain Clarkson Limited | United Kingdom |
| Bain Clarkson Members Underwriting Agency Ltd. | United Kingdom |
| Bain Clarkson R.B. Ltd. | United Kingdom |
| Bain Clarkson Underwriting Management Ltd. | United Kingdom |
| Bain Dawes (London) Ltd. | United Kingdom |
| Bain Dawes Services Ltd. | United Kingdom |
| Bain Hogg Australia (Holdings) Ltd. | Australia |
| Bain Hogg Australia Investments (Australia) Pty Ltd. | Australia |
| Bain Hogg Australia Ltd. | Australia |
| Bain Hogg Brokers Espana SA | Spain |
| Bain Hogg Chile S.A. Corredoros de Reasguro | Chile |
| Bain Hogg Colombiana Ltd. | Colombia |
| Bain Hogg Group Limited | United Kingdom |
| Bain Hogg Hellas Ltd. | United Kingdom |
| Bain Hogg Holdings Limited | United Kingdom |
| Bain Hogg Insurance Brokers Kenya Ltd. | Kenya |
| Bain Hogg Insurance Management (Guernsey) Ltd. | Guernsey |
| Bain Hogg Intermediaro de Reaseguro SA de CV | Mexico |
| Bain Hogg International Holdings Ltd. | United Kingdom |
| Bain Hogg International Ltd. | United Kingdom |
| Bain Hogg Ltd. | United Kingdom |
| Bain Hogg Management Ltd. | United Kingdom |
| Bain Hogg Pensions Pty Ltd. | Australia |
| Bain Hogg Robinson Pty Ltd. | Australia |
| Bain Hogg Russian Insurance Brokers Ltd. | Russia |
| Bain Hogg Trustees Ltd. | United Kingdom |
| Bain Hogg Uganda Ltd. | Uganda |
| Bain Hogg Venezolana SA | Venezuela |
| Banca Seguros Colon, S.A. | Colombia |
| Bankassure Insurance Services Limited | United Kingdom |
| Barros & Carrion, Inc. | Puerto Rico |
| BEC Insurance Services Limited | United Kingdom |
| Bekouw Mendes C.V. | Netherlands |
| Bekouw Mendes Reinsurance B.V. | Netherlands |
| Bekouw Mendes Risk Management B.V. | Netherlands |
| Bell Nicholson Henderson (Holdings) Ltd. | United Kingdom |
| Bell Nicholson Henderson Ltd. | United Kingdom |
| Berkely Agency Ltd. | New York |
| Berkely Coverage Corporation | New York |
| Berkely-ARM, Inc. | New York |
| BerkelyCare, LTD. | New York |
| BH No. 1 Ltd. | United Kingdom |

| | |
|---|---|
| BHN Unit Trust | Australia |
| Bing S.A. | Argentina |
| Black Portch & Swain (Financial Services) Ltd. | United Kingdom |
| Bloemers & Co. Herverzekering bv | Netherlands |
| Blom & Van der Aa BV | Netherlands |
| Blom & Van der Aa Holding BV | Netherlands |
| Boels & Begault Luxembourg S.a.r.l. | Luxembourg |
| Boels & Begault Vlaanderen S.A. | Belgium |
| Bonnor & Company A/S | Denmark |
| Bowes & Company, Inc., of New York | New York |
| Bowring and Minet (Swaziland) (Pty) Ltd. | Swaziland |
| BRIC, Inc. | North Carolina |
| Brichetto Corretora de Seguros S/C Ltda | Brazil |
| Brichetto Tecnica SA | Argentina |
| British Continental and Overseas Agencies (BCOA) SA | France |
| Broadgate Holdings Ltd. | United Kingdom |
| Brons Orobio Groep B.V. | Netherlands |
| Brons Van Lennep B.V. | Netherlands |
| Brons Van Lennep Den Haag B.V. | Netherlands |
| Bruno Sforni S.p.A. | Italy |
| Bruns Ten Brink & Co. b.v. | Netherlands |
| Bruns Ten Brink Herverzekeringen b.v. | Netherlands |
| Bryson Associates Incorporated | Pennsylvania |
| Budapest Pension Fund Company | Hungary |
| Burlington Insurance Services Ltd. | United Kingdom |
| Burnie Enterprises Pty. Ltd. | Papau New Guinea |
| Business Health Services, Inc. | California |
| bv Algemeen Asurantiekantoor Schreinemacher | Netherlands |
| C A Robinson & Partners Ltd. | United Kingdom |
| C.I.C. Realty, Inc. | Illinois |
| Cabinet Joos SARL | France |
| Caleb Brett Iberica, S.A. | Spain |
| Cambiaso Risso & Co. (Assicuriazioni Napoli) | Italy |
| Cambiaso Risso & Co. (Assicuriazioni) Srl | Italy |
| Cambiaso Risso & Co. SA | Italy |
| Cambridge Galaher Settlements and Insurance Services, Inc. | California |
| Cambridge Horizon Consultants, Inc. | New York |
| Cambridge Integrated Services Group, Inc. | Pennsylvania |
| Cambridge Integrated Services Limited | United Kingdom |
| Cambridge Professional Liability Services, Inc. | Illinois |
| Cambridge Professional Liability Services, Inc. | Pennsylvania |
| Cambridge Professional Liability Services, Inc. | Florida |
| Cambridge Settlement Services, Inc. | Minnesota |
| Camperdown 100 Limited | United Kingdom |

| | |
|---|---|
| Camperdown 101 Limited | United Kingdom |
| Camperdown 102 Limited | United Kingdom |
| Cananwill Australia Pty Ltd | Australia |
| Cananwill Canada Limited | Ontario |
| Cananwill Corporation | Delaware |
| Cananwill Receivables Purchase Facility, L.L.C. | Delaware |
| Cananwill UK Limited | United Kingdom |
| Cananwill UK Limited | United Kingdom |
| Cananwill, Inc. | California |
| Cananwill, Inc. | Pennsylvania |
| CAP Managers Ltd. | Bermuda |
| Captive Assurance Partners | California |
| Carbon Risk Management Limited | United Kingdom |
| Carstens & Schues GmbH & Co. | Germany |
| Carstens & Schues Poland Ltd. | Poland |
| Carstens & Schues Verwaltungs GmbH | Germany |
| Catz & Lips B.V. | Netherlands |
| CCM McGrath Berrigan Ltd. | Ireland |
| CD Benefit, Inc. | Texas |
| Celinvest Amsterdam bv | Netherlands |
| Central Technica SA | Spain |
| Centris Services Limited | United Kingdom |
| Centurion, Agente de Seguros, S.A. de C.V. | Mexico |
| CI-Erre Srl | Italy |
| CIA Italia S.R.L. | Italy |
| CIA Link Ltd. | United Kingdom |
| CICA Superannuation Nominees Pty. Ltd. | Australia |
| Citadel Insurance Company | Texas |
| CJP, Inc. | Delaware |
| Clarkson Argentine SA | Argentina |
| Clarkson Bain Japan Ltd. | United Kingdom |
| Clarkson Puckle Group, Ltd. | Unknown |
| Clarkson Puckle Holdings Ltd. | United Kingdom |
| Clarkson Puckle Ibex Ltd. | United Kingdom |
| Clarkson Puckle Ltd. | United Kingdom |
| Clarkson Puckle Overseas Holdings Ltd. | United Kingdom |
| Clay & Partners (1987) Limited | United Kingdom |
| Clay & Partners Independent Trust Corporation Ltd. | United Kingdom |
| Clay & Partners Limited | United Kingdom |
| Clay & Partners Pension Trustees Limited | United Kingdom |
| CNL Nikols SA | Spain |
| Cole Booth Potter of New Jersey, Inc. | New Jersey |
| Cole, Booth, Potter, Inc. | Pennsylvania |
| Columbia Automotive Services, Inc. | Illinois |

| | |
|---|---|
| Combined Insurance Company de Argentina S.A. Compania de Seguros | Argentina |
| Combined Insurance Company of America | Illinois |
| Combined Insurance Company of Europe Limited | Ireland |
| Combined Insurance Company of New Zealand Limited | New Zealand |
| Combined Life Assurance Company Limited | United Kingdom |
| Combined Life Assurance Company of Europe Limited | Ireland |
| Combined Life Insurance Company of Australia Limited | Australia |
| Combined Life Insurance Company of New York | New York |
| Combined Seguros Brasil S.A. | Brazil |
| Combined Seguros Mexico, S.A. de C.V. | Mexico |
| Commercial and Political Risk Consultants Ltd. | United Kingdom |
| Commercial Credit Corporation Limited | United Kingdom |
| Compagnie Franco-Belge d'Investissement et de Placement | Belgium |
| Compagnie Metropolotaine de Conseil - CMC SA | France |
| CompLogic, Inc. | Rhode Island |
| Compta Assur (SA) | France |
| Consultoria Vida y Pensiones S.A. | Spain |
| Consumer Program Administrators, Inc. | Illinois |
| Continential SA | Spain |
| Contract & Investment Recoveries Ltd. | United Kingdom |
| Control de Riesgos, S.A. | Spain |
| Control y Global Services, S.A. | Spain |
| Corporation Long Island CA | Venezuela |
| Correduria de Seguros Gruppo Herrero, S.A. | Spain |
| CoSec 2000 Limited | United Kingdom |
| Coughlan General Insurances Limited | Ireland |
| Couparey Nominees Limited | United Kingdom |
| Credit Indemnity & Financial Services Limited | United Kingdom |
| Credit Insurance Association (Singapore) Pte Limited | Singapore |
| CRiON nv | Belgium |
| Crotty MacRedmond Insurance Limited | Ireland |
| CRP (Isreal) Limited | United Kingdom |
| Custom Risk Solutions, LLC | New Jersey |
| Customer Loyalty Institute, Inc. | Michigan |
| cv 't Huys ter Merwe | Netherlands |
| CYARSA, Correduria de Reaseguros, S.A. | Spain |
| CYARSA, Portugal, Correduria de Reaseguros, Ltda. | Portugal |
| D. Hudig & Co. b.v. | Netherlands |
| DA&A Insurance Agency, Inc. | Texas |
| Dale Intermediaries Ltd. / Les Intermediaires Dale Ltee | Canada |
| Dale-Parizeau International Inc. | Canada |
| Dale-Parizeau Management Ltd. | Bermuda |
| Dealer Auto Receivables Corp. | Delaware |
| Dealer Development Services, Ltd. | United Kingdom |

| | |
|---|---|
| Deanborne Limited | United Kingdom |
| Denison Pension Trustees Limited | United Kingdom |
| Denison Pension Trustees Ltd. | United Kingdom |
| Dobson Park L. G. Limited | Guernsey |
| Document Risk Management Limited | United Kingdom |
| Dominion Mutual Insurance Brokers Ltd. | Canada |
| Dormante Holdings Limited | United Kingdom |
| Downes & Burke (Special Risks) Ltd. | United Kingdom |
| Dreadnaught Insurance Company Limited | Bermuda |
| DUO A/S | Norway |
| DuPage Care Administrators, Inc. | Illinois |
| E. Lillie & Co. Limited | United Kingdom |
| ECCO Insurance Services, Inc. | Texas |
| Edward Lumley & Sons (Underwriting Agencies) Ltd. | United Kingdom |
| Elektrorisk Beheer bv | Netherlands |
| Elm Lane Limited | United Kingdom |
| Employee Benefit Communications, Inc. | Florida |
| Energy Insurance Brokers & Risk Management Consultants Ltd. | United Kingdom |
| Entertainment Managers Insurance Agency of New York, Inc. | New York |
| Entertainment Managers Insurance Services Ltd | United Kingdom |
| Entertainment Managers Insurance Services, Inc. | Ontario |
| ERAS (International) Ltd. | United Kingdom |
| Ernest A. Notcutt & Co. Ltd. | United Kingdom |
| Essar Insurance Consultants Ltd. | Taiwan |
| Essar Insurance Services Ltd. | Hong Kong |
| European Risk Management Ltd. | United Kingdom |
| European Services Ltd. | Malta |
| Ewbar Limited | United Kingdom |
| ExcelNet (Guernsey) Ltd. | Guernsey |
| ExcelNet Ltd. | United Kingdom |
| Excess Corredores de Reaseguros SA | Chile |
| Excess Underwriters Agency, Inc. | New York |
| EXKO Excess Ruckversicherungs-AG | Germany |
| EXKO Excess Versicherungsagentur GmbH | Germany |
| Figurecheck Limited | United Kingdom |
| Finance Assurance Conseil - FAC SA | France |
| Financial & Professional Risk Solutions Insurance Agency, Inc. | California |
| Financial & Professional Risk Solutions, Inc. | Illinois |
| FINNCAP | Finland |
| Finsbury Healthcare Limited | United Kingdom |
| Firma A.J.  Driessen C.V. | Netherlands |
| France Cote D'Afrique | France |
| France Fenwick Limited | United Kingdom |
| Frank B. Hall & Co. (N.S.W.) Pty. Ltd. | Australia |

| | |
|---|---|
| Frank B. Hall Re (Latin America) Inc. | Panama |
| FS Insurance Agency, Inc. | Ohio |
| G&C Venezuela. S.A. | Venezuela |
| Galaher Settlements Company of New York, Inc. | New York |
| Garantie Europeene de Publication S.A. | France |
| Gardner Mountain & Capel Cure Agencies Limited | United Kingdom |
| Gardner Mountain Financial Services Ltd. | United Kingdom |
| Gardner Mountain Trustees Ltd. | United Kingdom |
| Gateway Alternatives, L.L.C. | Delaware |
| Gateway Insurance Company, Ltd. | Bermuda |
| General Service Srl | Italy |
| Gestas (1995) Inc. | Canada |
| Giesy, Greer & Gunn, Inc. | Oregon |
| Gil y Carvajal - Consultores, Lda. | Portugal |
| Gil y Carvajal Chile Ltda., Corredores de Seguros | Chile |
| Gil y Carvajal Consultores, S.A. | Spain |
| Gil y Carvajal Global Services S.A. | Spain |
| Gil y Carvajal Iberoamerica, S.A. | Spain |
| Gil y Carvajal Iberoamerica, SA | Peru |
| Gil y Carvajal S.A. Corredores de Seguros | Colombia |
| Gil y Carvajal Seguros, SA | Spain |
| Gil y Carvajal UK Ltd. | United Kingdom |
| Gil y Carvajal, S.A. Vida y Pensiones | Spain |
| Gilman Swire Willis Ltd. | Hong Kong |
| Gilroy Broome & Scrini (Trustees) Ltd. | United Kingdom |
| Global Entertainment & Media Insurance Agency, L.L.C. | Illinois |
| Godwins Investments Limited | United Kingdom |
| Gras Savoye Rumania | Romania |
| Greville Baylis Parry & Associates Ltd. | United Kingdom |
| Greyfriars Marketing Services Pty Ltd. | Australia |
| Grieg (UK) Limited | United Kingdom |
| Group Le Blanc de Nicolay SA | France |
| Groupe-conseil Aon Inc. | Quebec |
| Groupement Europeen d'Assurances Generales | France |
| Growth Enterprises Ltd. | Bahamas |
| Guardrisk Insurance Company Limited | South Africa |
| Guernsey Nominees (Pty) Limited | Guernsey |
| Gwelforth Ltd. | United Kingdom |
| Halford, Shead & Co. Limited | United Kingdom |
| Hamburger Gesellschaft zur Forderung des Versicherungswesen mbH | Germany |
| Hans R Schmidt Gmbh | Germany |
| Hans Rudolf Schmidt EDV Systemhaus GmbH | Germany |
| Hanse Assekuranz-Vermittlungs GmbH | Germany |
| Hanseatische Assekuranz Kontor GmbH | Germany |

| | |
|---|---|
| HARB Limited | United Kingdom |
| Harbour Pacific Holdings Pty., Ltd. | Australia |
| Harbour Pacific Underwriting Management Pty Limited | Australia |
| Heerkens Thijsen Groep bv | Netherlands |
| Heerkens Thijssen & Co. bv | Netherlands |
| Heerkens Thijssen Caviet vof | Netherlands |
| Hemisphere Marine & General Assurance Ltd. | Bermuda |
| HHL (Taiwan) Ltd. | Taiwan |
| HHL Reinsurance Brokers Pte. Ltd. | Singapore |
| HHL Reinsurance Services Sdn. Bhd. | Malaysia |
| HIB Limited | United Kingdom |
| Highplain Limited | United Kingdom |
| HL Puckle (Underwriting) Ltd. | United Kingdom |
| Hobbs & Partners Ltd. | United Kingdom |
| Hogg Automotive Insurance Services Ltd. | United Kingdom |
| Hogg Group Limited | United Kingdom |
| Hogg Group Netherlands BV | Netherlands |
| Hogg Group Overseas Ltd. | United Kingdom |
| Hogg Insurance Brokers GmbH | Germany |
| Hogg Insurance Group SA | Spain |
| Hogg Robinson & Gardner Mountain (Insurance) Ltd. | United Kingdom |
| Hogg Robinson (Nigeria) Unlimited | Nigeria |
| Hogg Robinson (Pvt) Limited | United Kingdom |
| Hogg Robinson Holdings (Pty) Ltd. | South Africa |
| Hogg Robinson North America, Inc. | Delaware |
| Hogg Robinson Services (Kenya) Ltd. | Kenya |
| Horwitch Insurance Agency, Inc. | Illinois |
| Howden Cover Hispanoamericana (Bermuda) Ltd. | Bermuda |
| Howden Dastur Reinsurance Brokers (Private) Ltd. | India |
| Howden Management & Data Services Ltd. | United Kingdom |
| Howden Sterling Asia Limited | Hong Kong |
| HRGM 1989 Ltd. | United Kingdom |
| HRGM Cargo Ltd. | United Kingdom |
| HRGM Management Services Ltd. | United Kingdom |
| HRGM Marine Ltd. | United Kingdom |
| Hudig Langeveldt Pte Ltd. | Singapore |
| Hudig-Langeveldt (Pensioenbureau) bv | Netherlands |
| Hudig-Langeveldt (Reinsurance) bv | Netherlands |
| Hudig-Langeveldt Janson Elffers B.V. | Netherlands |
| Hudig-Langeveldt Makelaardij in Assurantien bv | Netherlands |
| Human Relations Strategies Limited | United Kingdom |
| Huntington T. Block Insurance Agency, Inc. | District of Columbia |
| Huntington T. Block Insurance Agency, Inc. | Ohio |
| Hydrocarbon Risk Consultants Limited | United Kingdom |

| | |
|---|---|
| Ian H. Graham, Inc. | California |
| Ibex Managers Ltd. | Kenya |
| ICR-Riass Srl | Italy |
| Impact Forcasting Limited | United Kingdom |
| Impact Forecasting, L.L.C. | Illinois |
| Imperial Investment Company | Cayman Islands |
| Inchcape Continental Insurance Holdings (Eastern Europe) Ltd. | Cyprus |
| Inchcape Insurance Agencies (HK) LTd. | Hong Kong |
| Inchcape Insurance Brokers (HK) Ltd. | Hong Kong |
| Inchcape Insurance Brokers (M) Sdn Bhd | Malaysia |
| Inchcape Insurance Holdings (HK) Ltd. | Hong Kong |
| Indemnity Insurance Services (Pty) Limited | South Africa |
| Industrie Assekuranz Gmbh | Germany |
| Inmobiliaria Ramos Rosada, S.A. de C.V. | Mexico |
| Innovative Services International Limited | United Kingdom |
| Innovative Services International, L.L.C. | Delaware |
| Insurance Administrators, Inc. | Texas |
| Insurance Brokers Service, Inc. | Illinois |
| Insurance Broking Services (Pty) Limited | Guernsey |
| Insurance Holdings Africa Ltd. | Kenya |
| Insurance Management Services International Limited | United Kingdom |
| Insurance Planning, Inc. | Nevada |
| Integrated Risk Resources Limited | United Kingdom |
| Interbroke Ltd. | Switzerland |
| Interglobe Management AG | Switzerland |
| Interims Limited | United Kingdom |
| International Art & Antique Loss Register Limited | United Kingdom |
| International Film Finance Limited Partnership | UK |
| International Industrial Insurances Limited | Ireland |
| International Insurance Brokers Ltd. | Jamaica |
| International Medical Rescue Limited | United Kingdom |
| International Risk (Brokers) Ltd. | Bermuda |
| International Risk Management (Americas), Inc. | Ohio |
| International Risk Management (Australia) Pty. Ltd. | Australia |
| International Risk Management (Barbados) Ltd. | Barbados |
| International Risk Management (Bermuda) Ltd. | Bermuda |
| International Risk Management (Cayman) Ltd. | Cayman Islands |
| International Risk Management (Dublin) Ltd. | Dublin |
| International Risk Management (Europe) Ltd | United Kingdom |
| International Risk Management (Guernsey) Ltd. | Guernsey |
| International Risk Management (Isle of Man) Ltd. | Isle of Man |
| International Risk Management (Liechtenstein) Ltd | Liechtenstein |
| International Risk Management (Luxembourg) Ltd. | Luxembourg |
| International Risk Management (New Zealand) Ltd | New Zealand |

| | |
|---|---|
| International Risk Management (Singapore) Ltd. | Singapore |
| International Risk Management Group, Ltd. | Bermuda |
| International Shipowners Mutual Insurance Association Limited | Bermuda |
| International Space Brokers Inc. | Virginia |
| Investment Facility Company Four One Two (Pty) Ltd. | South Africa |
| Investment Insurance International (Managers) Ltd. | United Kingdom |
| IOC Reinsurance Brokers Ltd. | Canada |
| IRBJ Disposition Company | United Kingdom |
| IRISC Claims Management Limited | United Kingdom |
| IRISC Specialty, Inc. | Delaware |
| IRM (Canada) Ltd | Canada |
| IRM France S.A. | France |
| IRM/GRC Holding Inc. | Delaware |
| IRMG (U.K.) Holdings Ltd. | United Kingdom |
| ISG Administration Services Inc. | Ontario |
| ISPP Purchasing Group | Missouri |
| ITA Insurance, Inc. | Utah |
| J H Minet (Insurance) Limited | Ireland |
| J H Minet (Inter-Gremium) AG | Switzerland |
| J H Minet Agencies Ltd. | United Kingdom |
| J H Minet Puerto Rico Inc. | Puerto Rico |
| J H Minet Reinsurance Services Limited | United Kingdom |
| J&H Risk Management Consultants GmbH | Germany |
| J&H Unison Holdings BV | Netherlands |
| J&H Vorsorgefonds | Switzerland |
| J.H. Blades & Co. (Agency), Inc. | Texas |
| J.H. Blades & Co., Inc. | Texas |
| J.H. Blades Insurance Services | California |
| J.K.Battershill Reinsurance Intermediaries, Inc. | Delaware |
| J.S. Johnson & Co. Ltd. | Bahamas |
| Janson Green Limited | United Kingdom |
| Janson Services Limited | United Kingdom |
| Jaspers Industrie Assekuranz GmbH & Co. KG | Germany |
| Jauch & Hubener (KG) | Austria |
| Jauch & Hubener AG | Switzerland |
| Jauch & Hubener Beratungs AG | Switzerland |
| Jauch & Hubener CSFR Spol s.r.o. | Slovak Republic |
| Jauch & Hubener d.o.o. | Slovak Republic |
| Jauch & Hubener Ges. m.b.H. | Austria |
| Jauch & Hubener GmbH | Austria |
| Jauch & Hubener Kft. | Hungary |
| Jauch & Hubener Management betriebliche Versorgungen | Germany |
| Jauch & Hubener Personalvorsorgestiftung | Switzerland |
| Jauch & Hubener Reinsurance Intermediary Services of North America | New Jersey |

| | |
|---|---|
| Jauch & Hubener Reinsurance Services Ltd. | United Kingdom |
| Jauch & Hubener Ruckversicherungs-Vermittlungsges mbH | Germany |
| Jauch & Hubener spol sro | Czech Republic |
| Jenner Fenton Slade (Special Risks) Limited | United Kingdom |
| Jenner Fenton Slade Group Limited | United Kingdom |
| Jenner Fenton Slade Limited | United Kingdom |
| Jenner Fenton Slade Political Risks Limited | United Kingdom |
| Jenner Fenton Slade Reinsurance Services Limited | United Kingdom |
| Jenner Fenton Slade Surety and Specie Limited | United Kingdom |
| Jewellery Replacement Services Limited | United Kingdom |
| JFC Consulting, Inc. | Delaware |
| JFS (Sudamerica) SA | Uruguay |
| JFS Fenchurch Limited | United Kingdom |
| JFS Greig Fester Limited | United Kingdom |
| JG Associates Limited | United Kingdom |
| JG Holdings Limited | United Kingdom |
| JML-Minet A.G. | Switzerland |
| John C. Lloyd Reinsurance Brokers Ltd. | Australia |
| John Scott Insurance Brokers Limited | United Kingdom |
| Johnson Rooney Welch, Inc. | California |
| Joost & Preuss GmbH | Germany |
| Joseph U. Moore, Inc. | Florida |
| K & K Insurance Brokers, Inc. Canada | Ontario |
| K & K Insurance Group of Florida, Inc. | Florida |
| K & K Insurance Group, Inc. | Indiana |
| K & K Insurance Specialties, Inc. | Indiana |
| K & K of California Insurance Services, Inc. | California |
| K & K of Nevada, Inc. | Nevada |
| Karl Alt & Co. GmbH | Germany |
| Keith Rayment & Associates Ltd. | United Kingdom |
| Keyaction Limited | United Kingdom |
| Kininmonth Limited | Ireland |
| Kroller Holdings B.V. | Netherlands |
| KTW Enterprises, Inc. | New Jersey |
| L. & F. Longobardi SRL | Italy |
| Langeveldt de Vos b.v. | Netherlands |
| Langeveldt Groep B.V. | Netherlands |
| Laurila, Kauriala & Grig Ltd. | Russia |
| LBN Asia International Reinsurance Brokers Pte Ltd. | Singapore |
| Le Blanc de Nicolay Asia | Hong Kong |
| Le Blanc de Nicolay Courtage SA | France |
| Le Blanc de Nicolay Reassurances SA | France |
| Le Blanc de Nicolay Ruckversicherungsmakler GmbH | Germany |
| Leslie & Godwin (C.I.) Limited | Guernsey |

| | |
|---|---|
| Leslie & Godwin (Scotland) Limited | Scotland |
| Leslie & Godwin (U.K.) Limited | United Kingdom |
| Leslie & Godwin Financial Risks Limited | United Kingdom |
| Leslie & Godwin GmbH | Germany |
| Leslie & Godwin Group Limited | United Kingdom |
| Leslie & Godwin Insurance Brokers Ltd. | Ontario |
| Leslie & Godwin International Limited | United Kingdom |
| Leslie & Godwin Investments Limited | United Kingdom |
| Leslie & Godwin Limited | United Kingdom |
| LIB Financial Services Ltd. | United Kingdom |
| LIB Limited | United Kingdom |
| Livewire Group Pty. Ltd. ACN 088 444 964 | Australia |
| LMG Claims Information Network Limited | United Kingdom |
| LMG Jewellery Claims Service Limited | United Kingdom |
| London General Holdings Limited | United Kingdom |
| London General Insurance Company Limited | United Kingdom |
| Loss Management Group Limited | United Kingdom |
| Lowndes Lambert Insurance Limited | Ireland |
| Lumley Insurance Brokers (Pty) Ltd. | South Africa |
| Lumley JFS Limited | United Kingdom |
| Lumley Municipal & General Insurance Brokers (Natal) (Pty) Ltd. | South Africa |
| Lumley Municipal & General Insurance Brokers (Orange Free State) (Pty | South Africa |
| Lumley Municipal & General Insurance Brokers (Pty) Ltd. | South Africa |
| Lumley Municipal & General Insurance Brokers (Transvaal) (Pty) Ltd. | South Africa |
| Lumley Petro-Energy Insurance Brokers (Pty) Ltd. | South Africa |
| Lylehead Limited | United Kingdom |
| M Y A Ltda. Asesorias Integrales | Colombia |
| M Y A Salud Ltda Agentes De Medicina Prepagada | Colombia |
| M.I. B. Healthcare Services (Pty) Limited | South Africa |
| M.I.B. Aidec (Pty) Limited | South Africa |
| M.I.B. Border (Pty) Limited | South Africa |
| M.I.B. Employee Benefits (Pty) Limited | South Africa |
| M.I.B. Group (Pty) Limited | South Africa |
| M.I.B. House Investment (Pty) Limited | South Africa |
| M.I.B. Property Holdings (Pty) Limited | South Africa |
| M.I.B. Reinsurance Brokers (Namibia) (Pty) Limited | Namibia |
| M.I.B. Reinsurance Brokers (Pty) Limited | South Africa |
| MAB Insurance Services Ltd. | United Kingdom |
| MacDonagh & Boland Group Limited | Ireland |
| MacDonagh Boland Beech Hill Limited | Ireland |
| MacDonagh Boland Crotty MacRedmond Limited | Ireland |
| MacDonagh Boland Cullen Duggan Limited | Ireland |
| MacDonagh Boland Foley Woollam Limited | Ireland |
| Macey Williams Insurance Services Limited | United Kingdom |

| | |
|---|---|
| Macey Williams Limited | United Kingdom |
| Macquarie Underwriting Pty. Ltd. | United Kingdom |
| Madison Intermediaries Pty. Limited | Australia |
| Mahamy Company plc (Aon Iran) | Iran |
| Management and Regulator Services, Inc. | New York |
| Mansfeld, Hubener & Partners Gmbh | Germany |
| Marinaro Dundas SA | Uruguay |
| Marinaro Dundas SA | Argentina |
| Maritime Underwriters, Ltd. | Bermuda |
| Martec Australia Pty Limited | Australia |
| Martec Finance Pty Limited | Australia |
| Martin Boyer Company, Inc. | Illinois |
| Marvyn Hughes International Ltd. | United Kingdom |
| Max Mattiessen AB | Sweden |
| MB Exchange Corp. | New York |
| MBXC.Com Corp. | New York |
| McLagan Partners Asia, Inc. | Delaware |
| McLagan Partners International, Inc. | Delaware |
| McLagan Partners, Inc. | Delaware |
| Media/Professional Insurance Agency Limited | United Kingdom |
| Media/Professional Insurance Agency, Inc. | Missouri |
| Medical Care Management Limited | United Kingdom |
| Mediterranean Insurance Training Centre | Malta |
| MEIE Argentina SA | Argentina |
| MIB UK (Holdings) Ltd. | United Kingdom |
| Mibsa Investments (Namibia) (Pty) Limited | Namibia |
| Minerva Holdings (Pvt) Limited | Zimbabwe |
| Minet (Taiwan) Ltd. | Taiwan |
| Minet a.s. | Czech Republic |
| Minet Africa Holdings Ltd. | United Kingdom |
| Minet Airport Insurance Services Ltd. | United Kingdom |
| Minet AS | Norway |
| Minet Australia Holdings Pty. Ltd. | Australia |
| Minet Australia Pty. Ltd. | Australia |
| Minet Benefit Services (International) Ltd. | Guernsey |
| Minet Botswana (Pty) Ltd. | Botswana |
| Minet Burn & Roche Pty. Ltd. | Australia |
| Minet China Ltd. | Hong Kong |
| Minet Commercial Ltd. | United Kingdom |
| Minet Consultancy Services Ltd. (Kenya) | Kenya |
| Minet Consultancy Services Ltd. (UK) | United Kingdom |
| Minet Direct Marketing Services Ltd. | United Kingdom |
| Minet Employees' Trust Company Ltd. | United Kingdom |
| Minet Europe Holdings Ltd. | United Kingdom |

| | |
|---|---|
| Minet Financial Services Ltd. | United Kingdom |
| Minet Firstbrokers Oy | Finland |
| Minet Group | United Kingdom |
| Minet Group Holdings | United Kingdom |
| Minet Holdings Guernsey Limited | Guernsey |
| Minet Holdings Inc. | New York |
| Minet Hong Kong Ltd. | Hong Kong |
| Minet Inc. (Canada) | Canada |
| Minet Ins. Brokers (Holdings) (NZ) Ltd. | New Zealand |
| Minet Ins. Brokers (Zimbabwe) (Pvt) Ltd. | Zimbabwe |
| Minet Insurance Brokers (Holdings) Ltd. | United Kingdom |
| Minet Insurance Brokers (Thailand) Ltd | Thailand |
| Minet Insurance Brokers (Uganda) Limited | Uganda |
| Minet International (Holdings) Ltd. | United Kingdom |
| Minet Kingsway (Lesotho) (Pty) Ltd. | Lesotho |
| Minet Limited | United Kingdom |
| Minet Limited | Uganda |
| Minet Limited (Bermuda) | Bermuda |
| Minet Lindgren i Helsingborg | Sweden |
| Minet Members Agency Holdings Ltd. | United Kingdom |
| Minet New Zealand Ltd. | New Zealand |
| Minet Nigeria | Nigeria |
| Minet Nominees Ltd. | United Kingdom |
| Minet Professional Services (Europe) Ltd. | United Kingdom |
| Minet Professional Services Ltd. (UK) | United Kingdom |
| Minet Professional Services Pty. Ltd. (Australia) | Australia |
| Minet Properties Ltd. | United Kingdom |
| Minet RAIA Insurance Brokers Limited | Hong Kong |
| Minet Re (Bermuda) Limited | Bermuda |
| Minet Re GmbH | Germany |
| Minet Re International Ltd. | United Kingdom |
| Minet Re North America, Inc. | Georgia |
| Minet Risk Services (Barbados) Ltd. | Barbados |
| Minet Risk Services (Bermuda) Ltd. | Bermuda |
| Minet Risk Services (Guernsey) Ltd. | Guernsey |
| Minet Risk Services (Jersey) Ltd. | Jersey, Channel Islands |
| Minet Risk Services (Singapore) Ltd. | Singapore |
| Minet Singapore Pte. Ltd. | Singapore |
| Minet Superannuation Nominee Pty. Ltd. | Australia |
| Minet Trustees Ltd. | United Kingdom |
| Minet West Africa Ltd. | United Kingdom |
| Minet Zambia Limited | Zambia |
| Minet Zimbabwe (Pvt) Ltd. | Zimbabwe |
| Minken Properties Ltd. | Kenya |

| | |
|---|---|
| Moes & Caviet Last bv | Netherlands |
| MoreBenefits.Com Corp. | Delaware |
| Morency, Weible & Sapa, Inc. | Illinois |
| Motorplan Limited | United Kingdom |
| Mt. Franklin General Agency | Texas |
| MTF Insurance Agency, Inc. | Texas |
| Muirfield Underwriters, Ltd. | Delaware |
| N.V. Verzekering Maatschappij Van 1890 | Netherlands |
| National Product Care Company | Illinois |
| National Transportation Adjusters, Inc. | Nebraska |
| NB Life Agents, Inc. | New York |
| Netherlands Construction Insurance Services Ltd | United Kingdom |
| New Dimensions Underwriting Group, Inc. | Virginia |
| Nicholson Chamberlain Colls Australia Limited | Australia |
| Nicholson Chamberlain Colls Group Limited | United Kingdom |
| Nicholson Chamberlain Colls Marine Limited | United Kingdom |
| Nicholson Jenner Leslie Group Limited | United Kingdom |
| Nicholson Leslie Accident & Health Limited | United Kingdom |
| Nicholson Leslie Agencies Limited | United Kingdom |
| Nicholson Leslie Asia Pte Ltd | Singapore |
| Nicholson Leslie Australia Holdings Limited | Australia |
| Nicholson Leslie Aviation Limited | United Kingdom |
| Nicholson Leslie Bankscope Insurance Services Limited | United Kingdom |
| Nicholson Leslie Bankscope Marine Insurance Consultants | United Kingdom |
| Nicholson Leslie Energy Resources Limited | United Kingdom |
| Nicholson Leslie International Limited | United Kingdom |
| Nicholson Leslie Investments Limited | United Kingdom |
| Nicholson Leslie Limited | United Kingdom |
| Nicholson Leslie Management Services Limited | United Kingdom |
| Nicholson Leslie Non-Marine Reinsurance Brokers Limited | United Kingdom |
| Nicholson Leslie North American Reinsurance Brokers, Limi | United Kingdom |
| Nicholson Leslie Property Limited | United Kingdom |
| Nikols Chile SA | Chile |
| Nikols Galicia SA | Spain |
| Nikols Iberia SA | Spain |
| Nikols Portugal Ltda | Portugal |
| Nikols SA | Switzerland |
| Nikols Segiber Ltda | Portugal |
| Nissho Iwai (Japan) | Japan |
| Nixon Constable & Company Ltd. | United Kingdom |
| Norsk Forsikringsservice AS | Norway |
| Norwegian Insurance Partners A/S | Norway |
| Norwegian Insurance Partners as (Non-Marine) | Norway |
| NRC Reinsurance Company Ltd. | Bermuda |

| | |
|---|---|
| Ohio Cap Insurance Company, Inc. | Bermuda |
| OHM Insurance Agency, Inc. | Ohio |
| OHM Services of Texas, Inc. | Texas |
| Olarescu & B. I. Davis Asesores y Corredores de Seguros S.A. | Peru |
| Old ARS LRA Corp. | Texas |
| Old S&C of PA, Inc. | Pennsylvania |
| Olympic Health Management Services, Inc. | Washington |
| Olympic Health Management Systems, Inc. | Washington |
| Orobio Mees Herman B.V. | Netherlands |
| OUM & Associates of New York, A Corporation | New York |
| OWA Hoken (UK) Limited | United Kingdom |
| OWA Insurance Services Austria Gesellschaft mbH | Austria |
| OWA Insurance Services Austria GmbH & Co. KG | Austria |
| P I Insurance Brokers (Pty) Limited | South Africa |
| P.T. Alexander Lippo Indonesia | Indonesia |
| Pacific Underwriting Corporation Pty. Ltd. | Australia |
| Pacific Wholesale Insurance Brokers Pty Ltd. | Australia |
| Paladin Reinsurance Corporation | New York |
| Pandimar Consultants, Inc. | New York |
| Paribas Assurantien B.V. | Netherlands |
| Parker Risk Management (Bermuda) Ltd. | Bermuda |
| Pat Ryan & Associates, B.V. | Netherlands |
| Paul J.F. Schultz oHG | Germany |
| PBG Pensions Beratungs-Gesellschaft mbH (Partnership) | Germany |
| PHH Insurance Associates Corporation | Maryland |
| Pinerich Limited | Ireland |
| Plaire SA | France |
| Poland Puckle Insurance Brokers Ltd. | United Kingdom |
| Prairie State Administrative Services, Inc. | Illinois |
| Prairie State Underwriting Managers, L.L.C. | Illinois |
| Premier Auto Finance, Inc. | Delaware |
| Premier Auto Finance, L.P. | Illinois |
| Premier Receivables Purchase Facility, LLC | Delaware |
| Prescot Insurance Holdings Ltd. | United Kingdom |
| Presidium Companies, Inc. | Delaware |
| Presidium Holdings, Inc. | Delaware |
| Presidium, Inc. | Delaware |
| Priceforbes Federale Volkskas (Holdings) (Proprietary) Limited | South Africa |
| Priority Line Direct Limited | United Kingdom |
| Private Client Trustees Ltd. | Ireland |
| Product Care, Inc. | Illinois |
| Produgar | Portugal |
| Professional & General Ins. Company (Bermuda) Ltd. | Bermuda |
| Professional Liability Services Limited | United Kingdom |

| | |
|---|---|
| Professional Sports Insurance Co. Ltd. | Bermuda |
| Property Owners Database Limited | United Kingdom |
| Proruck Ruckversicherungs - AG | Germany |
| Proudfoot Reports Incorporated | New York |
| PROVIA Gesselschaft fur betriebliche Risicoanalyse mbH | Germany |
| Provider Services, Ltd. | Bermuda |
| PT RNJ Ratna Nusa Jaya | Indonesia |
| PYXYS-Gestion de Flottes SA | France |
| R&M Reinsurance Intermediaries Ltd. | Trinidad |
| R.E.I.A. Insurance Brokers Pty. Ltd. | Australia |
| Ralph S. Harris (Insurance) Pty. Ltd. | Zimbabwe |
| Rath & Strong, Inc. | Massachusetts |
| RBH General Agencies (Canada) Inc. | Quebec |
| RDG Resource Dealer Group (Canada) Inc. | Canada |
| Reed Stenhouse Asia Pacific Limited | Scotland |
| Reed Stenhouse Europe Holdings B.V. | Netherlands |
| Reed Stenhouse Gmbh | Germany |
| Reed Stenhouse Underwriting Management Limited | Scotland |
| REI (NSW) Insurance Brokers Pty. Ltd. | Australia |
| REISA Insurance Brokers Pty. Ltd. | Australia |
| REIV Insurance Brokers (Pty) Ltd. | Australia |
| Resource Acquisition Corporation | Delaware |
| Resource Dealer Group of Alabama, Inc. | Alabama |
| Resource Dealer Group of Arizona Insurance Services, Inc. | Arizona |
| Resource Dealer Group of Indiana, Inc. | Indiana |
| Resource Dealer Group of Kentucky, Inc. | Kentucky |
| Resource Dealer Group of Massachusetts Insurance Agency, Inc. | Massachusetts |
| Resource Dealer Group of Mississippi, P.A. | Mississippi |
| Resource Dealer Group of Nevada, Inc. | Nevada |
| Resource Dealer Group of New Mexico, Inc. | New Mexico |
| Resource Dealer Group of Ohio Agency, Inc. | Ohio |
| Resource Dealer Group of Texas, Inc. | Texas |
| Resource Dealer Group, Inc. | Illinois |
| Resource Dealer Group, Inc. | Mississippi |
| Resource Dealer Insurance Services of California, Inc. | California |
| Resource Financial Corporation | Delaware |
| Resource Life Insurance Company | Illinois |
| Resource Training, Inc. | Illinois |
| Revasa S.p.A. | Italy |
| RG Reis (Management Services) Ltd. | United Kingdom |
| RG Reis Pension Fund Trustees Ltd. | United Kingdom |
| RHH Surety & Guarantee Limited | United Kingdom |
| RIP Services Limited | Guernsey |
| Risk Funding Services (Pty) Limited | South Africa |

| | |
|---|---|
| Risk Management Consultants of Canada Limited | Canada |
| Risque et Finance SA | France |
| Rockford Holding, Inc. | Delaware |
| Rockford Life Insurance Company | Arizona |
| Rollins Heath Korea Co. Ltd. | Korea |
| Rollins Hudig Hall & Co. (N.S.W.) Pty. Ltd. | Australia |
| Rollins Hudig Hall (Hong Kong) Ltd. | Hong Kong |
| Rollins Hudig Hall (Nederland) Limited | United Kingdom |
| Rollins Hudig Hall Associates B.V. | Netherlands |
| Rollins Hudig Hall Finance bv | Netherlands |
| Rollins Hudig Hall Services Limited | United Kingdom |
| Rollins Hudig Hall Singapore Pte. Ltd. | Singapore |
| Ropeco Pty Ltd. | Australia |
| Rostron Hancock Ltd. | United Kingdom |
| Ruben Entertainment Insurance Services | United Kingdom |
| RUMEX VermogensverwaltungsGmbH | Germany |
| Ryan Insurance Group France S.A.R.L. | France |
| Ryan Warranty Services Canada, Inc. | Canada |
| Ryan Warranty Services Quebec, Inc. | Ontario |
| Rydata Limited | United Kingdom |
| S A Credit & Insurance Brokers (Pty) Limited | South Africa |
| S W Holdings (SA) (Pty) Limited | South Africa |
| S W Insurance Brokers (Pty) Limited | South Africa |
| S. Mark Brockinton & Associates of Texas, Inc. | Texas |
| S.A.B. S.p.A. | Italy |
| Saat Van Marwijk Beheer bv | Netherlands |
| Saat Van Marwijk Noordwijk B.V. | Netherlands |
| Safetylogic.com, Inc. | Oregon |
| Salud Centurion Ltda. Agente de Medicina Prepagada | Colombia |
| SASE France Societe Des Assures Du Sud Set | France |
| Savoy Insurance Brokers Ltd. | United Kingdom |
| Saxonbeech Ltd. | United Kingdom |
| Schirmer Engineering Corporation | Delaware |
| Scottish & Commonwealth Insurance Co. Ltd. | Bermuda |
| Seascope Marine Limited | United Kingdom |
| Securities Guarantee Company Limited | United Kingdom |
| Sedgwick Brichetto Argentina SA | Argentina |
| Sedgwick Corredores de Reaseguros Ltda | Colombia |
| Sedgwick Correduria de Seguros SA | Spain |
| Seguros Inchcape Macau Lda. | Macau |
| Select Healthcare Insurance Services | California |
| SelectDirect Limited | Scotland |
| Service Protection, Inc. | Illinois |
| Service Saver, Incorporated | Florida |

| | |
|---|---|
| ServicePlan of Florida, Inc. | Florida |
| ServicePlan, Inc. | Illinois |
| Services A&A S.A. | Mexico |
| Servicios Inmoboliarios Guadalajara, S.C. | Mexico |
| Servicios Y Garantias Ryan S.L. | Spain |
| SGAP SA | France |
| SGL Logistica Srl | Italy |
| Sherwood Insurance Agency, Inc. of New York | New York |
| Sherwood Insurance Services | California |
| Sherwood Insurance Services of Washington, Inc. | Washington |
| SHL Pacific Regional Holdings Inc. | California |
| Shoreline Insurance Agency, Inc. | Rhode Island |
| Simco Insurance Brokers Pte | Singapore |
| SLE Worldwide Australia Pty Limited | Australia |
| SLE Worldwide Limited | United Kingdom |
| SLE Worldwide Mexico Agente de Seguros S.A. de C.V. | Mexico |
| SLE Worldwide, Inc. | Delaware |
| SN Re SA (Brichetto Sudamericana) | Argentina |
| Societe Centrale de Courtage d'Assurances | France |
| Societe Europeenne d'Etudes et de Courtages - SEEC SA | France |
| Sodarcan Inc. | Canada |
| Soriero & Company, Inc. | Texas |
| Sorim (1987) Ltd. | United Kingdom |
| Sorim Services (1987) Ltd. | United Kingdom |
| Sothanasiri Co. Ltd. | Thailand |
| Southern Cross Underwriting Pty. Limited | Australia |
| Special Risk Resources Insurance Agency, Inc. | California |
| Special Risk Services Asia Pacific Pty. Ltd. | Australia |
| Special Risk Services Limited | United Kingdom |
| Special Risk Services Underwriting Agency Limited | United Kingdom |
| Special Risk Services, Inc. | New York |
| Specialty Benefits, Inc. | Indiana |
| Specialty Investment 004 Limited | United Kingdom |
| Spicafab Limited | United Kingdom |
| Spicafab PLC | Australia |
| Stenhouse (South East Asia) Pte. Ltd. | Singapore |
| Stenhouse Marketing Services (London) Ltd. | United Kingdom |
| Stenhouse Marketing Services, Inc. | Delaware |
| Sterling Life Insurance Company | Arizona |
| Structured Compensation Limited | United Kingdom |
| Sumner & McMillan | United Kingdom |
| Sumner & McMillan Limited (Ireland) | Ireland |
| Superannuation Fund (CICNZ) Limited | New Zealand |
| Superannuation Management Nominees Ltd. | New Zealand |

| | |
|---|---|
| Surety & Guarantee Consultants Limited | United Kingdom |
| Surveyors Claims Services Ltd. | United Kingdom |
| Surveyors Insurance Brokers Limited | United Kingdom |
| Suys & Janssens SA | Belgium |
| Swaziland Construction Insurance Brokers (Pty) Ltd. | Swaziland |
| Swaziland Corporate Risk Management (Pty) Ltd. | Swaziland |
| Swaziland Employee Benefit Consultants (Pty) Ltd. | Swaziland |
| Swaziland Insurance Brokers (Pty) Ltd. | Swaziland |
| Swaziland Reinsurance Brokers (Pty) Ltd. | Swaziland |
| Swett & Crawford | California |
| Swett & Crawford Insurance Agency of Massachusetts, Inc. | Massachusetts |
| Swett & Crawford of Arizona, Inc. | Arizona |
| Swett & Crawford of Colorado, Inc. | Colorado |
| Swett & Crawford of Connecticut, Inc. | Connecticut |
| Swett & Crawford of Hawaii, Inc. | Hawaii |
| Swett & Crawford of Idaho, Inc. | Idaho |
| Swett & Crawford of Maine, Inc. | Maine |
| Swett & Crawford of Nevada, Inc. | Nevada |
| Swett & Crawford of Ohio, Inc. | Ohio |
| Swett & Crawford of Pennsylvania, Inc. | Pennsylvania |
| Swett & Crawford of Texas, Inc. | Texas |
| Swett Insurance Managers of California, Inc. | California |
| T M Insurance Brokers (Pty) Limited | South Africa |
| Tabma-Hall Insurance Services Pty. Limited | Australia |
| TASG Pty. Ltd. ACN 008 078 308 | Australia |
| Tecsefin Centroamerica, S.A. | Panama |
| Tecsefin Guatemala | Panama |
| Tecsefin Salvador | Panama |
| Tecsefin, S.A. | Colombia |
| Ted Harty & Associates, Inc. | Georgia |
| Terbroker srl | Italy |
| Tethercrest Ltd. | United Kingdom |
| Texas/New Dimensions Agency, Inc. of San Antonio | Texas |
| Texas/New Dimensions Life Agency, Inc. of San Antonio | Texas |
| Texas/New Dimensions Underwriting Group, Inc. | Texas |
| The Alexander Consulting Group Ltd. | Canada |
| The Alexander Consulting Group Ltd. | Scotland |
| The Australian Superannuation Group (NSW) Pty Ltd. ACN 079 236 052 | Australia |
| The Brennan Group, Inc. | Delaware |
| The Claims Office Limited | United Kingdom |
| The Credit Insurance Association (Canada) Limited | Canada |
| The Credit Insurance Association Deutschland GmbH | Germany |
| The Credit Insurance Association France SA | France |
| The Credit Insurance Association France SA | France |

| | |
|---|---|
| The Credit Insurance Association Ltd. | United Kingdom |
| The Entertainment Coalition | Not Applicable |
| The National Senior Membership Group Association | Washington |
| The Olympic Senior Membership Group, Inc. | Washington |
| The Superannuation Group (Victoria) Pty. | Australia |
| The Superannuation Group Pty. Ltd. ACN 006 922 470 | Australia |
| The Swett & Crawford Group, Inc. | California |
| The Unclaimed Assets Register Limited | United Kingdom |
| Tholwana MIB Pty Limited | South Africa |
| Tradeshock Limited | United Kingdom |
| Trans Caribbean Insurance Services, Inc. | U.S. Virgin Islands |
| Travellers Club International Ltd. | United Kingdom |
| Trent Insurance Company Ltd. | Bermuda |
| TTF Insurance Services Ltd. | United Kingdom |
| Underwriters Marine Services of Texas, Inc. | Texas |
| Underwriters Marine Services, Inc. | Louisiana |
| Union Centurion, S.A.de C.V. | Mexico |
| Unison Consultants Europe E.E.I.G. | Belgium |
| Unison Technical Services | Belgium |
| Unit Trust | Australia |
| United Financial Adjusting Company | Ohio |
| United Iranian Insurance Services plc Teheran | Iran |
| Valex Insurance Agency, Inc. | Texas |
| Varity Risk Management Services Ltd. | United Kingdom |
| Vassal Properties (Pty) Ltd. | Botswana |
| Velo Motor Accident Management Limited | United Kingdom |
| Verband der Jauch & Hubener Unterstutzungskassen | Germany |
| Virginia Surety Company, Inc. | Illinois |
| VOL Properties Corporation | Delaware |
| Wackerbarth Hardman (Holdings) Limited | United Kingdom |
| Wackerbarth Holdings Limited | United Kingdom |
| Wackerbarth International Holdings Bv | Netherlands |
| WACUS Magyarorszag Hitelbitzositasi Tanacsado es Kozvetito Kft. | Hungary |
| WAVECA SA | Venezuela |
| Wed. Jacobs & Brom bv | Netherlands |
| Wexford Underwriting Managers, Inc. | Delaware |
| Wilfredo Armstrong S.A. | Argentina |
| William Gallagher Associates of California, Inc. | California |
| William Gallagher Associates of New Jersey, Inc. | New Jersey |
| Winchester Financial Services (Pty) Limited | South Africa |
| Windhock Insurance Brokers (Pty) Limited | Namibia |
| WMD Underwriting Agencies Ltd. | United Kingdom |
| World Insurance Network Ltd. | Cardiff |
| Worldwide Integrated Services Company | Texas |

| | |
|---|---|
| Wyrm Systems Pty Limited | South Africa |
| XB-Lumley Insurance Brokers (Pty) Ltd. | South Africa |
| Y&D Properties Ltd. | Canada |
| Yin Hwa Insurance Agent Co Ltd. | Taiwan |
| ZAO Aon Insurance Brokers | Russia |
| Zimbabwe Risk Managers (Pvt) Ltd. | Zimbabwe |

Exhibit 23

**CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS**

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Aon Corporation of our report dated February 12, 2002, included in the 2001 Annual Report to Stockholders of Aon Corporation.

Our audits also included the financial statement schedules of Aon Corporation listed in Item 14(a). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, with respect to which the date is February 12, 2002, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statements of Aon Corporation described in the following table of our report dated February 12, 2002, with respect to the consolidated financial statements incorporated herein by reference, and our report, included in the preceding paragraph with respect to the financial statement schedules included in this Annual Report (Form 10-K) of Aon Corporation for the year ended December 31, 2001.

**Registration Statement**

| Form | Number | Purpose |
|---|---|---|
| S-8 | 33-27984 | Pertaining to Aon's savings plan |
| S-8 | 33-42575 | Pertaining to Aon's stock award plan and stock option plan |
| S-8 | 33-59037 | Pertaining to Aon's stock award plan and stock option plan |
| S-4 | 333-21237 | Offer to exchange Capital Securities of Aon Capital A |
| S-3 | 333-50607 | Pertaining to the registration of 369,000 shares of common stock |
| S-8 | 333-55773 | Pertaining to Aon's stock award plan, stock option plan, and employee stock purchase plan |
| S-3 | 333-78723 | Pertaining to the registration of debt securities, preferred stock and common stock |
| S-3 | 333-49300 | Pertaining to the registration of 3,864,824 shares of common stock |
| S-4 | 333-57706 | Pertaining to the registration of up to 3,852,184 shares of common stock |
| S-3 | 333-65624 | Pertaining to the registration of 2,000,000 shares of common stock |
| S-3 | 333-74364 | Pertaining to the registration of debt securities, preferred stock, common stock, share purchase contracts, and share purchase units |

**ERNST & YOUNG LLP**

Chicago, Illinois
March 15, 2002