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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 9, 2001

Raytheon Company  
(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other  
Jurisdiction of  
Incorporation)

0-12591  
(Commission File Number)

95-1778500  
(IRS Employer  
Identification No.)

141 Spring Street  
Lexington, Massachusetts  
(Address of Principal Executive Offices)

02421  
(Zip Code)

(781) 862-6600  
(Registrant's telephone number, including area code)

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ITEM 5. OTHER EVENTS

On May 9, 2001, Raytheon Company (the "Company") closed a public offering of 17,250,000 8.50% Equity Security Units (the "Equity Units") and 14,375,000 shares of its Class B Common Stock (the "Common Stock"), which includes Equity Units and Common Stock issued as a result of the exercise of the over-allotment options granted to the underwriters in the offerings

The Company filed a registration statement on Form S-3 (File No. 333-58474) which amended its registration statement on Form S-3 (File No. 333-82529) for the Equity Units and the Common Stock under the Securities Act of 1933, as amended (the "Act"), on April 6, 2001, which was declared effective on April 13, 2001. On April 25, 2001, the Company filed Preliminary Prospectus Supplements for both the Equity Units and the Common Stock, each dated April 24, 2001, both of which included the Prospectus dated April 6, 2001, and on May 3, 2001, the Company filed final Prospectus Supplements for both the Equity Units and the Common Stock, dated May 3, 2001, which also included the Prospectus dated April 6, 2001. Each Equity Unit will include (1) a purchase contract under which the purchaser will agree to purchase shares of Class B Common Stock from the Company and the Company will agree to sell shares of Class B Common Stock of the Company on a date approximately three years from the date of issuance, and (2) a trust preferred security of RC Trust I. In connection with these offerings, the Company is filing certain exhibits as part of this Form 8-K. See "Item 7. Exhibits."

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements: None

(b) Pro Forma Financial Information: None

(c) Exhibits:

(c)	EXHIBIT No.	DESCRIPTION
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	1.1	Terms Agreement, dated as of May 3, 2001, among Raytheon Company and the Several Underwriters for the purchase of Raytheon Company's Equity Security Units amending the Underwriting Agreement, dated as of November 2, 1998.
	1.2	Terms Agreement, dated as of May 3, 2001, among Raytheon Company and the Several Underwriters for the purchase of Raytheon Company's Class B common stock amending the Underwriting Agreement, dated as of November 2, 1998.
	4.10	Amended and Restated Declaration of Trust of RC Trust I, dated as of May 9, 2001, among Raytheon Company, The Bank of New York as initial Property Trustee, The Bank of New York (Delaware) as initial Delaware Trustee, and the Regular Trustees.

- 4.13 Form of Preferred Security (included in Exhibit 4.10).
- 4.15 Second Supplemental Indenture, dated as of May 9, 2001, between Raytheon Corporation and The Bank of New York.
- 4.16 Guarantee Agreement, dated as of May 9, 2001, between Raytheon Company and The Bank of New York as initial Guarantee Trustee.
- 4.17 Form of Remarketing Agreement among Raytheon Company and The Bank of New York as Purchase Contract Agent.
- 4.18 Form of Pledge Agreement among Raytheon Company, Bank One Trust Company, N.A., as Collateral Agent, Custodial Agent and Securities Intermediary and the Bank of New York, as Purchase Contract Agent.
- 4.19 Purchase Contract Agreement dated May 9, 2001 among Raytheon Company and The Bank of New York as Purchase Contract Agent.
- 5.2 Opinion of Richards, Layton & Finger, P.A. relating to RC Trust I.
- 8.1 Opinion of Wachtell, Lipton, Rosen & Katz

SIGNATURE

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

RAYTHEON COMPANY

By: /s/ John W. Kapples

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Name: John W. Kapples

Title: Vice President and Secretary

Date: May 9, 2001

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4.19	Purchase Contract Agreement dated May 9, 2001 among Raytheon Company and The Bank of New York as Purchase Contract Agent.
5.2	Opinion of Richards, Layton & Finger, P.A. relating to RC Trust I.
8.1	Opinion of Wachtell, Lipton, Rosen & Katz.

RAYTHEON COMPANY

15,000,000 8.25% EQUITY SECURITY UNITS

TERMS AGREEMENT

May 3, 2001

Raytheon Company  
141 Spring Street  
Lexington, Massachusetts 02173

Attention: Mr. Franklyn A. Caine  
Senior Vice President and  
Chief Financial Officer

Dear Ladies & Gentlemen:

On behalf of the several Underwriters named in Schedule A hereto (the "Underwriters") and for their respective accounts, we offer to purchase the ----- securities (the "Securities") described below on and subject to the terms and ----- conditions of the Underwriting Agreement attached as Schedule B hereto (the "Shelf Underwriting Agreement"), as amended and supplemented by this Terms ----- Agreement (as so amended and supplemented, the "Underwriting Agreement"). The ----- Underwriting Agreement was filed as exhibit 1.1 to the Registration Statement on Form S-3 (File No. 333-44321) of Raytheon Company, a Delaware corporation (the "Company"), which Registration Statement was amended by the Company's ----- Registration Statement (such registration statements, the "Registration ----- Statement") on Form S-3 (File No. 333-58474). Reference is made to Section 7(d) ----- of this Terms Agreement for a list of defined terms used in this Terms Agreement.

The Shelf Underwriting Agreement is hereby amended and supplemented, solely for the purposes of this Terms Agreement, as follows:

1. Introduction.  
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- (a) The first sentence of Section 1 is amended by deleting the word "debt" from the first sentence thereof.
- (b) Section 1 is amended by deleting the second sentence thereof.
- (c) The third sentence of Section 1 is supplemented by adding the phrase "or classes" after the word "series."
- (d) The first sentence of the second paragraph of Section 1 is deleted

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(e) Section 1 is amended by adding the following as the final paragraphs of that section:

The Underwriters propose to purchase from the Company 15,000,000 of the Company's 8.25% Equity Security Units (the "Firm Units"). In addition, the ----- Underwriters propose that the Company grant them an option to purchase up to an additional 2,250,000 Units (the "Option Units") on the terms and for the ----- purposes set forth in Section 3. The Firm Units and the Option Units, if purchased, are hereinafter collectively called the "Units."

Each Unit will initially consist of (a) a stock purchase contract (a "Purchase Contract") under which (i) the holder will agree to purchase from the ----- Company, and the Company will agree to sell to the holder, on May 15, 2004, for \$50 per share, a number of shares of its Class B common stock, par value \$0.01 per share (as such class of common stock may be reclassified as set forth in the Prospectus (as defined below, the "Common Stock"), equal to the settlement rate,

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as set forth in the Prospectus, and (ii) the Company will pay to the holder contract adjustment payments at the annual rate of 1.25% payable quarterly in arrears, as set forth in the Prospectus, and (b) a trust preferred security (a "Trust Preferred Security"), stated liquidation amount of \$50 per Trust  
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Preferred Security, representing an undivided beneficial ownership interest in the assets of RC Trust I, a Delaware business trust (the "Trust"), which will  
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bear an annual rate of 7% payable quarterly in arrears. In accordance with the terms of a Purchase Contract Agreement (the "Purchase Contract Agreement") to be  
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entered into between the Company and The Bank of New York, as Purchase Contract Agent (the "Purchase Contract Agent"), the holders of the Units will pledge the  
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Trust Preferred Securities to Bank One Corporation, as Collateral Agent (the "Collateral Agent") and as Custodial Agent (the "Custodial Agent"), pursuant to  
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a Pledge Agreement (the "Pledge Agreement") to be entered into among the  
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Company, the Purchase Contract Agent, Bank One Corporation, as Securities Intermediary (the "Securities Intermediary"), and the Collateral Agent, to  
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secure the holders' obligations to purchase Common Stock under the Purchase Contracts. The Trust Preferred Securities will be subject to remarketing to satisfy the Unit holders' obligations to settle the Purchase Contract under the Purchase Contract Agreement under a Remarketing Agreement to be entered between the Company and a nationally recognized investment banking firm, as Remarketing Agent (the "Remarketing Agreement").  
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The Company will issue and exchange \$773,195,900 aggregate principal amount of its 7.00% Subordinated Notes due May 15, 2006 (the "Subordinated  
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Notes"), to be issued pursuant to the Indenture dated as of July 3, 1995 (the  
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"Original Indenture") as supplemented by a First Supplemental Indenture dated as  
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of May 2, 2000 (the "First Supplemental Indenture") and by a Second Supplemental  
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Indenture to be entered into (the "Second Supplemental Indenture" and, together  
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with the Original Indenture and the First Supplemental Indenture, the "Indenture"), in each case, between the Company and The Bank of New York, as  
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Trustee (the "Indenture Trustee"), for 463,918 common securities, par value  
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\$0.01 per share (the "Common Securities" and, together with the Trust Preferred  
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Securities, the "Trust Securities"), and for 15,000,000 Trust Preferred  
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Securities, in each case, of the Trust. The Company will own all of the beneficial ownership interests represented by the common securities of the Trust. The Company will guarantee, on a subordinated and unsecured basis (the "Guarantee"), all payments due of the Trust Securities to the extent set forth  
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in a Guarantee Agreement (the "Guarantee Agreement") to be entered into between  
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the Company and The Bank of New York, as trustee (the "Guarantee  
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Trustee"), for the benefit of the holders from time to time of the Trust  
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 Securities. The Trust Securities will be issued pursuant to a declaration of the  
 Trust (the "Original Declaration"), as amended by the Amended and Restated  
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 Declaration of the Trust (the "Amended Declaration" and, together with the  
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 Original Declaration, the "Declaration"), among the Company, as Sponsor, Richard  
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 A. Goglia, Franklyn A. Caine and Thomas D. Hyde, as trustees (the "Regular  
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 Trustees"), The Bank of New York, as Property Trustee (the "Property Trustee"),  
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 The Bank of New York (Delaware) as the Delaware Trustee (the "Delaware Trustee"  
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 and, together with the Property Trustee and the Regular Trustees, the  
 "Trustees"), and the holders from time to time of undivided beneficial ownership  
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 interests in the assets of the Trust.

The Purchase Contract Agreement, the Pledge Agreement, the  
 Remarketing Agreement, the Indenture, the Declaration, the Guarantee Agreement  
 and this Agreement are referred to herein collectively as the "Transaction  
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 Agreements," and the Units, the Purchase Contracts, the Trust Securities, the  
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 Subordinated Notes and the Guarantee are referred to herein collectively as the  
 "Securities."  
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Concurrently with the offering and sale of the Units, the Company  
 has also conducted an offering and will sell to the Underwriters 12,500,000  
 shares of its class B common stock, par value \$0.01 per share, with an option to  
 purchase 1,875,000 additional shares to cover over-allotments, if any (the  
 "Common Offering"), pursuant to a separate underwriting agreement dated the date  
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 hereof among the Company and the Underwriters. The consummation of the two  
 offerings is not conditioned on each other.

## 2. Representations and Warranties of the Company and the Trust. -----

(a) The first, introductory phrase of Section 2 is supplemented by  
 adding the phrase "as to itself and the Trust" before the final word of that  
 phrase "that."

(b) Section 2(a) is amended by deleting the phrase "A registration  
 statement (No. 333-44321)" and replacing it with the phrase "The Registration  
 Statement" (as defined in this Terms Agreement).

(c) Section 2 is amended by adding the following as the final  
 paragraphs of that section:

(d) No stop order suspending the effectiveness of the Registration  
 Statement or any post-effective amendment thereto has been issued and no  
 proceeding for that purpose has been initiated or, to the Company's knowledge,  
 threatened by the Commission; and no order preventing or suspending the use of  
 the Preliminary Prospectus (as defined below) or the Prospectus has been issued  
 by the Commission, and the Preliminary Prospectus and the Prospectus, at the  
 time of filing thereof, conformed in all material respects to the requirements  
 of the Securities Act and the rules and regulations of the Commission  
 thereunder.

(e) The Trust has been duly created and is validly existing as a  
 statutory business trust in good standing under the Business Trust Act of the  
 State of Delaware (the "Delaware Trust Act") with the trust power and authority  
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to own property and conduct its business as described in the Prospectus, and has  
 conducted and will conduct no business other than the transactions contemplated  
 by this Agreement as described in the Prospectus; the Trust is



not a party to or bound by any agreement or instrument and after the Trust executes the Declaration, the Trust will not be a party to or bound by any agreement or instrument other than this Agreement, the Remarketing Agreement, the Declaration and the other agreements entered into in connection with the transactions contemplated hereby; the Trust has no liabilities or obligations other than those arising out of the transactions contemplated by this Agreement, the Remarketing Agreement and the Declaration and described in the Prospectus; and the Trust is not a party to or subject to any action, suit or proceeding of any nature.

(f) Each of the Securities and the Transaction Agreements has been duly authorized by the Company and the Trust, as the case may be, and conforms to the description thereof contained in the Prospectus.

(g) There are no preemptive or other rights to subscribe for or to purchase, nor is there any restriction on the voting or transfer of, any of the Securities pursuant to the Company's charter or by-laws or any agreement or instrument, except as such preemptive or other rights and/or restrictions are expected with respect to the transactions contemplated by the Stock Purchase Agreement, the Pledge Agreement and the Declaration of Trust.

(h) The Units, when duly executed by the Company (assuming due execution by the Purchase Contract Agent as attorney-in-fact for the holders thereof and due authentication by the Purchase Contract Agent) and delivered by the Company and upon payment therefor as set forth herein, will be duly and validly issued and outstanding, and will constitute valid and binding obligations of the Company entitled to the benefits of the Purchase Contract Agreement and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(i) The Subordinated Notes, when duly executed, authenticated, issued and delivered as contemplated by the Indenture against payment of the agreed consideration therefor, will be duly and validly issued and outstanding, and will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture, and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(j) The Guarantee, when duly executed, authenticated, issued and delivered as contemplated by the Guarantee Agreement, will be duly and validly issued and outstanding, and will constitute a valid and binding obligation of the Company entitled to the benefits of the Guarantee Agreement, and enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(k) The Trust Securities, upon issuance and delivery and payment therefor in the manner described herein, will be validly issued, fully paid and, in the case of the Preferred Securities, non-assessable and will conform to the descriptions contained in the Prospectus.

(l) The unissued shares of Common Stock to be issued and sold by the Company upon settlement of the Purchase Contracts have been reserved for issuance and, when issued and delivered in accordance with the provisions of the Purchase Contracts, will be duly and validly issued, fully paid and non-assessable.

(m) Each of the Transaction Agreements has been duly authorized by the Company and, when duly executed by the proper officers of the Company (assuming due execution and delivery by the respective other parties thereto) and delivered by the Company, will constitute a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(n) The Securities and the Transaction Agreements will conform to the descriptions thereof contained in the Prospectus.

(o) The execution, delivery and performance of the Transaction Agreements, the issuance and sale or exchange, as the case may be, of the Securities and the consummation by the Company and the Trust of the transactions contemplated hereby and thereby (collectively, the "Transactions") will not (1)

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 conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, any of its subsidiaries or the Trust is a party or by which the Company, any of its subsidiaries or the Trust is bound or to which any of the properties or assets of the Company, any of its subsidiaries or the Trust is subject, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company, (2) result in any violation of the provisions of the charter or by-laws (or equivalent organizational documents) of the Company, any of its subsidiaries or the Trust or (3) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, any of its subsidiaries, the Trust or any of their respective properties or assets, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company, and (4) require any material consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body for the consummation of the Transactions or the issuance and sale or exchange of the Securities, as the case may be, except for (a) the registration under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder, of the Units, the Trust Preferred Securities, the Subordinated Notes, the Guarantees and the Common Stock to be issued and sold pursuant to the Purchase Contracts, (b) the qualification of the Indenture, the Guarantee Agreement and the Declaration under the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission thereunder, and (c) such consents, approvals, authorizations, registrations or qualifications as may be required under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and applicable state securities laws in

connection with the purchase of the Units (and the securities which are components of the Units as set forth above) by the Underwriters pursuant to the Underwriting Agreement.

(p) Neither the Company nor the Trust is, or will be after the application of the net proceeds of the offering of the Units and the Common Offering, an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

### 3. Purchase and Offering of Securities.

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Section 3 of the Shelf Underwriting Agreement is hereby supplemented as follows, and to the extent the Terms Agreement is inconsistent with the Shelf Underwriting Agreement, the Terms Agreement will govern:

#### (a) Purchase of the Units by the Underwriters; Grant of Option. On the

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basis of the representations and warranties contained in, and subject to the terms and conditions of, the Underwriting Agreement, the Company hereby agrees to sell 15,000,000 Firm Units to the several Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase the number of the Firm Units set forth opposite such Underwriter's name in Schedule A hereto.

In addition, the Company hereby grants to the Underwriters an option to purchase up to 2,250,000 Option Units. Such option is granted solely for the purpose of covering over-allotments in the sale of the Firm Units and is exercisable as provided below. Option Units shall be purchased severally for the account of the Underwriters in proportion to the number of Firm Units set forth opposite the name of such Underwriter in Schedule A hereto. The respective obligations of each Underwriter with respect to the Option Units shall be adjusted by Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., as Representatives of the Underwriters (the "Representatives") so that no

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Underwriter should be obligated to purchase Option Units other than in 100 unit amounts.

The price of both the Firm Units and any Option Units to the Underwriters shall be \$48.50 per Unit.

The Company shall not be obligated to deliver any of the Units to be delivered on the First Delivery Date (as hereinafter defined) or the Second Delivery Date (as hereinafter defined), as the case may be, except upon payment for all the Units to be purchased on such Delivery Date as provided herein.

#### (b) Delivery of and Payment for the Units. Delivery of and payment for

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the Units shall be made at the office of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York New York 10017, at 9:00 a.m., New York City time, on the third full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Underwriters and the Company. This date and time are sometimes referred to as the "First

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Delivery Date." On the First Delivery Date, the Company, through the facilities

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of The Depository Trust Company ("DTC"), shall deliver or cause to be delivered

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a securities entitlement with respect to the Firm Units to the Representatives for the account of each Underwriter against payment to or upon the order of the Trust of the purchase price by wire transfer of same-day funds to a bank account designated by the Company. Time shall be of the

essence, and delivery at the time and place specified pursuant to the Underwriting Agreement is a further condition of the obligation of each Underwriter hereunder. Upon delivery, the Firm Units will be registered in the name of Cede & Co., as nominee for DTC.

At any time on or before the 13th after the date of this Agreement the option granted above may be exercised by written notice being given to the Company by the Underwriters. Such notice shall set forth the aggregate number of Option Units as to which the option is being exercised, the names in which the Option Units are to be registered, the denominations in which the Option Units are to be issued and the date and time, as determined by the Underwriters, when the Option Units are to be delivered; provided, however, that this date and time shall not be earlier than the First Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. The date and time the Option Units are delivered are sometimes referred to as the "Second Delivery Date" and the First Delivery Date and the  
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 Second Delivery Date are sometimes each referred to as a "Delivery Date".  
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Delivery of and payment for the Option Units shall be made at the place specified in the first sentence of the first paragraph of this Section (or at such other place as shall be determined by agreement between the Underwriters and the Company) at 9:00 a.m., New York City time, on the Second Delivery Date. On the Second Delivery Date, the Company, through the facilities of DTC, shall deliver or cause to be delivered a securities entitlement with respect to the Option Units to the Representatives for the account of each Underwriter against payment to or upon the order of the Company of the purchase price by wire transfer of same-day funds to a bank account designated by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to the Underwriting Agreement is a further condition of the obligation of each Underwriter hereunder. Upon delivery, the Option Units shall be registered in the name of Cede & Co., as nominee of DTC.

The Trust Preferred Securities underlying the Units will be pledged with the Collateral Agent to secure the holders' obligations to purchase Common Stock under the Purchase Contracts. Such pledge shall be effected by the transfer to the Securities Intermediary of the Trust Preferred Securities to be pledged to the Collateral Agent in accordance with the Pledge Agreement.

#### 4. Certain Agreements of the Company -----

(a) Section 4(f) of the Shelf Underwriting Agreement is amended by replacing it with the following new Section 4(f):

Expenses. The Company agrees to pay (a) the fees, disbursements and  
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 expenses of its counsel and accountants in connection with the registration of the Securities under the Securities Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Preliminary Prospectus and the Prospectus and amendments and supplements thereto; (b) the costs incident to the authorization, issuance, sale and delivery of the Securities and any taxes payable in connection therewith; (c) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement and any amendments and exhibits thereto; (d) the costs of distributing the Registration Statement as

originally filed and each amendment thereto and any post-effective amendments thereof (including, in each case, exhibits), the Preliminary Prospectus, the Prospectus and any amendment or supplement to any such prospectus or any document incorporated by reference therein, all as provided in this Agreement; (e) any applicable listing or other fees; (f) the fees and expenses of qualifying the Securities under the securities laws of the several jurisdictions as provided in Section 6(h) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); (g) the filing fees and any expenses of legal counsel incident to any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Units, including any fees incurred on behalf of or disbursements by Morgan Stanley & Co. Incorporated in its capacity as "qualified independent underwriter"; (h) any fees charged by securities rating services for rating the Units (or any related security); (i) the fees and expenses of the Purchase Contract Agent, the Collateral Agent, the Securities Intermediary, the Indenture Trustee, the Property Trustee, the Delaware Trustee and the Guarantee Trustee and their respective counsel; (j) any transfer taxes payable in connection with the sale of the Units to the Underwriters; and (k) all other costs and expenses incident to the performance of the obligations of the Company under the Underwriting Agreement; provided that, except as provided in this Section 4 of the Shelf Underwriting Agreement, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Units which they may sell and the expenses of advertising any offering of the Units made by the Underwriters.

(b) Section 4(g) of the Shelf Underwriting Agreement is replaced with the following new Section 4(g):

"The Company agrees and each of its executive officers and directors will execute and deliver an agreement, the form of which is contained in Schedule D hereto, to the effect that he or she will agree, not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, shares of the common stock of the Company, securities convertible into or exchangeable or exercisable for any shares of the Company's common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Company's common stock, whether any of such aforementioned transaction is to be settled by delivery of the Company's common stock or such other securities, in cash or otherwise, or publicly dispose the Company's intention to make any offer, sale, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., for a period of 90 days after the date of the Prospectus, except that (1) the Company may sell or transfer shares of its Common Stock in connection with the forward/reverse stock split and reclassification of the Company's Common Stock, as described in the Prospectus, and (2) directors and executive officers of the Company may, with the consent of the Company

and consistent with the Underwriting Agreement, sell up to 30,000 shares of the Company's Class A and Class B common stock to pay for tax liabilities owed to U.S. and state governments in the ordinary course."

5. Conditions of the Obligations of the Underwriters.  
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(a) Section 5(a) and Section 5(i), the latter section as renumbered below as Section 5(m) of the Shelf Underwriting Agreement, are amended by replacing the name of "Coopers & Lybrand L.L.P." with the name "PricewaterhouseCoopers L.L.P."

(b) The text of Section 5(b) is deleted and replaced with "[Reserved]."

(c) Section 5(e) is amended as follows:

(1) Paragraph (ii) is replaced by the following new paragraphs (iii) - (viii):

(iii) The Units have been duly authorized, executed and delivered by the Company and (assuming due execution by the Purchase Contract Agent as attorney-in-fact of the holders thereof and due authentication by the Purchase Contract Agent) upon payment therefor as set forth herein, will be duly and validly issued and outstanding, and will constitute valid and binding obligations of the Company entitled to the benefits of the Purchase Contract Agreement and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iv) The Subordinated Notes have been duly authorized, executed and delivered by the Company and (assuming due authentication by the Indenture Trustee) upon payment therefor as set forth herein, will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(v) The Guarantee has been duly authorized, executed and delivered by the Company and (assuming due authentication by the Guarantee Trustee) upon payment therefor as set forth herein, will constitute valid and binding obligations of the Company entitled to the benefits of the Guarantee Agreement and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting

creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(vi) The unissued shares of Common Stock to be issued and sold by the Company pursuant to the Purchase Contracts have been duly and validly authorized and reserved for issuance and when issued and delivered in accordance with the provisions of the Purchase Contracts, will be duly and validly issued, fully paid and non-assessable.

(vii) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

(viii) Each of the Indenture, the Guarantee Agreement, the Stock Purchase Agreement, the Pledge Agreement, the Remarketing Agreement and the Declaration has been duly authorized, executed and delivered by the Company and (assuming due authentication, execution and delivery by the respective other parties thereto) constitutes a valid and binding agreement of each of the Company enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(2) Paragraphs (iv) and (v) are deleted.

(3) Paragraph (vi) is renumbered paragraph (ix).

(4) Section 5(e) is supplemented by adding the following new paragraph (x):

(x) There are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any Securities issuable pursuant to the Company's charter or by-laws or any agreement or other instrument known to such counsel, except as such preemptive or other rights and/or restrictions are expected with respect to the transactions contemplated by the Stock Purchase Agreement, the Pledge Agreement and the Declaration of Trust.

(d) Section 5(f) is amended as follows:

(1) The word "Indenture" in Section 5(f)(i) is replaced with the phrase "Transaction Agreements."

(2) The following new paragraph is added as paragraph (ii):

(ii) "Based upon current law, the assumptions and facts stated or referred to in the Prospectus Supplement (including under the caption "U.S.

Federal Income Tax Consequences') and certain representations you and Raytheon Company have provided to us and subject to the qualifications and limitations set forth in the Prospectus Supplement (including under the caption 'U.S. Federal Income Tax Consequences'), the statements set forth in the Prospectus Supplement under the caption 'U.S. Federal Income Tax Consequences,' insofar as they purport to constitute summaries of United States federal income tax laws and regulations or legal conclusions with respect thereto (but not insofar as they relate to expectations, intentions or determinations), constitute accurate summaries of the matters described under such caption in all material respects."

(3) Paragraph (ii) is renumbered paragraph (iii), and is restated, as follows:

(iii) Assuming the proper filing of the Statement of Eligibility Under the Trust Indenture Act of 1939 of a corporation designated to act as Trustee on Form T-1 by the Company, the Second Supplemental Indenture, the Declaration and the Guarantee Agreement have been duly qualified under the Trust Indenture Act.

(4) Paragraph (iii) is renumbered paragraph (iv), paragraph (iv) is renumbered paragraph (v), paragraph (v) is renumbered paragraph (vi) and paragraph (vi) is renumbered paragraph (vii).

(5) The following new paragraph is added to Section 5(f) as paragraphs (viii):

(viii) The provisions of the Pledge Agreement will be, on the First Delivery Date, effective to create, in favor of the Collateral Agent for the benefit of the Company, a valid security interest under the Uniform Commercial Code as in effect on the date of such opinion in the State of New York (the "New York UCC") in the

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Pledged Preferred Securities, Pledged Subordinated Notes, Applicable Ownership Interests (as specified in clause (A) of the definition thereof in the Declaration) of the Treasury Portfolio and Pledged Treasury Securities from time to time credited to the Collateral Account in accordance with the Pledge Agreement. For purposes of such counsel's opinion, capitalized terms used in this paragraph shall have the meanings ascribed to such terms in the Pledge Agreement.

(e) Section 5(g) is amended by replacing the name "Cravath, Swaine & Moore" with the name "Simpson Thacher & Bartlett".

(f) Section 5 is supplemented by adding the following new Sections 5(h), 5(i), 5(j) and 5(k):

5(h) Richards, Layton & Finger, P.A. shall have furnished to the Underwriters its written opinion, as special Delaware counsel to the Company and the



Trust, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect that:

(i) The Trust has been duly created and is validly existing in good standing as a business trust under the Delaware Trust Act. Under the Delaware Trust Act and the Declaration, the Trust has the trust power and authority to own property and to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement and the Trust Securities.

(ii) The Common Securities have been duly authorized by the Declaration and, when issued and delivered by the Trust to the Company, with the Trust Preferred Securities, in exchange for the Subordinated Notes in accordance with the terms of the Declaration and as described in the Prospectus, will be validly issued and (subject to the terms in this paragraph) fully paid undivided beneficial interests in the assets of the Trust (such counsel may note that the holders of Common Securities will be subject to the withholding provisions of the Declaration, will be required to make payment or provide indemnity or security as set forth in the Declaration and will be liable for the debts and obligations of the Trust to the extent provided in the Declaration); under the Delaware Trust Act and the Declaration, the issuance of the Common Securities is not subject to preemptive rights.

(iii) The Trust Preferred Securities have been duly authorized by the Declaration and, when issued and delivered in accordance with the terms of the Declaration against payment therefor as set forth herein, the Trust Preferred Securities will be validly issued and (subject to the terms in this paragraph) fully paid and non-assessable undivided beneficial interests in the assets of the Trust, the holders of the Trust Preferred Securities will be entitled to the benefits of the Declaration (subject to the limitations set forth in clause (v) below) and will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware (such counsel may note that the holders of Trust Preferred Securities will be subject to the withholding provisions of the Declaration and will be required to make payment or provide indemnity or security as set forth in the Declaration); under the Delaware Trust Act and the Declaration, the issuance of the Trust Preferred Securities is not subject to preemptive rights.

(iv) Under the Delaware Trust Act and the Declaration, all necessary trust action has been taken to duly authorize the execution, delivery and performance by the Trust of the Underwriting Agreement and the Remarketing Agreement.

(v) Assuming the Declaration has been duly authorized by the Company and has been duly executed and delivered by the Company and the Regular Trustees, and assuming due authorization, execution and delivery of the Declaration by the Property Trustee and the Delaware Trustee, the Declaration

constitutes a valid and binding obligation of the Company and the Regular Trustees, and is enforceable against the Company and the Regular Trustees, in accordance with its terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation, fraudulent conveyance or transfer and other similar laws relating to or affecting the rights and remedies of creditors generally, principles of equity, including applicable law relating to fiduciary duties (regardless of whether considered and applied in a proceeding in equity or at law), and (iii) the effect of applicable public policy on the enforceability of provisions relating to indemnification or contribution.

(vi) The issuance by the Trust of the Trust Securities in exchange for the Subordinated Notes, the consummation by the Trust of the transactions contemplated by the Underwriting Agreement and compliance by the Trust with its obligations hereunder do not violate any of the provisions of the Certificate of Trust or the Declaration or any applicable Delaware law or administrative regulation.

(vii) Assuming that the Trust derives no income from or connected with sources within the State of Delaware and has no assets, activities (other than having a Delaware Trustee as required by the Delaware Trust Act and the filing of documents with the Secretary of State of Delaware) or employees in the State of Delaware, no filing with, or authorization, approval consent, license, order, registration, qualification or decree of, any Delaware court or Delaware governmental authority or agency (other than as may be required under the securities or blue sky laws of the state of Delaware, as to which such counsel need express no opinion) is necessary or required to be obtained by the Trust solely in connection with the due authorization, execution and delivery by the Trust of the Underwriting Agreement or the offering, issuance, sale or delivery of the Trust Preferred Securities.

5(i) Emmet Marvin & Marvin shall have furnished to the Underwriters its written opinion, as counsel to The Bank of New York, as Property Trustee and Guarantee Trustee, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect that:

(i) Each of the Property Trustee and the Guarantee Trustee is duly incorporated as a New York banking corporation with all necessary power and authority to execute and deliver and perform their respective obligations under the terms of the Amended Declaration and the Guarantee Agreement.

(ii) The execution, delivery and performance by the Property Trustee of the Amended Declaration and the execution, delivery and performance by the Guarantee Trustee of the Guarantee Agreement have been duly authorized by all necessary corporate action on the part of the Property Trustee and the Guarantee Trustee, respectively. The Amended Declaration has been duly executed and delivered by the Property Trustee and the Guarantee Agreement has

been duly executed and delivered by the Guarantee Trustee and each constitutes the valid and binding agreement of the Property Trustee and the Guarantee Trustee, respectively, enforceable against the Property Trustee and the Guarantee Trustee, respectively, in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The execution, delivery and performance of the Amended Declaration and the Guarantee Agreement by the Property Trustee and the Guarantee Trustee, respectively, do not conflict with or constitute a breach of the charter or by-laws of the Property Trustee and the Guarantee Trustee, respectively.

(iv) No consent, approval or authorization of, or registration with or notice to, any New York or federal banking authority is required for the execution, delivery or performance by the Property Trustee and the Guarantee Trustee of the Amended Declaration and the Guarantee Agreement, respectively.

5(j) Richards, Layton & Finger, P.A. shall have furnished to the Underwriters its written opinion, with respect to The Bank of New York (Delaware), as Delaware Trustee, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect that:

(i) The Delaware Trustee has been duly incorporated and is validly existing as a banking corporation in good standing under the laws of the State of Delaware with all necessary corporate power and authority to execute and deliver, and to carry out and perform its obligations under, the terms of the Amended Declaration.

(ii) The execution, delivery and performance by the Delaware Trustee of the Amended Declaration have been duly authorized by all necessary corporate action on the part of the Delaware Trustee. The Amended Declaration constitutes the valid and binding agreement of the Delaware Trustee, and is enforceable against the Delaware Trustee, in accordance with its terms, subject to bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation, fraudulent conveyance or transfer and other similar laws relating to or affecting the rights and remedies of creditors generally, principles of equity, including applicable law relating to fiduciary duties (regardless of whether considered and applied in a proceeding in equity or at law), and the effect of applicable public policy on the enforceability of provisions relating to indemnification or contribution.

(iii) The execution, delivery and performance of the Amended Declaration by the Delaware Trustee do not conflict with or constitute a breach of the charter or by-laws of the Delaware Trustee.

(iv) No consent, approval or authorization of, or registration with or notice to, any Delaware or federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of the Amended Declaration.

5(k) Emmet Marvin & Marvin shall have furnished to the Underwriters its written opinion, as counsel to The Bank of New York, as Purchase Contract Agent, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, to the effect that:

(i) The Purchase Contract Agent is duly incorporated as a New York banking corporation with all necessary power and authority to execute, deliver and perform its obligations under the Purchase Contract Agreement and the Pledge Agreement.

(ii) The execution, delivery and performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement, and the authentication and delivery of the Units have been duly authorized by all necessary corporate action on the part of the Purchase Contract Agent. The Purchase Contract Agreement and the Pledge Agreement have been duly executed and delivered by the Purchase Contract Agent, and constitute the valid and binding agreements of the Purchase Contract Agent, enforceable against the Purchase Contract Agent in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The execution, delivery and performance of the Purchase Contract Agreement and the Pledge Agreement by the Purchase Contract Agent does not conflict with or constitute a breach of the charter or by-laws of the Purchase Contract Agent.

(iv) No consent, approval or authorization of, or registration with or notice to, any state or federal governmental authority or agency is required for the execution, delivery or performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement.

(g) Sections 5(h) and 5(i) are renumbered Sections 5(l) and 5(m), respectively.

#### 6. Indemnification and Contribution.

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(a) Section 6 is supplemented by adding the following sentence at the end of paragraph (a) thereof, as follows:

"The Company also agrees to indemnify and hold harmless Morgan Stanley & Co. Incorporated ("Morgan Stanley") and each person, if any, who controls Morgan Stanley within the meaning of either Section 15 of the Act, or Section 20 of the Exchange Act, from and

against any and all losses, claims, damages, liabilities and judgments incurred as a result of Morgan Stanley's participation as a "qualified independent underwriter" within the meaning of Rule 2720 of the National Association of Securities Dealers' Conduct Rules in connection with the offering of the Units, except for any losses, claims, damages, liabilities, and judgments resulting from Morgan Stanley's, or such controlling person's, willful misconduct."

(b) Section 6 is supplemented by adding the following sentence at the end of paragraph (c) thereof, as follows:

"Notwithstanding anything contained herein to the contrary, if indemnity may be sought pursuant to Section 6(a) hereof in respect of such action or proceeding, then in addition to such separate firm for the indemnified parties, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one separate firm (in addition to any local counsel) for Morgan Stanley in its capacity as a "qualified independent underwriter" and all persons, if any, who control Morgan Stanley within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act."

7. Other.  
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(a) Counterparts. The Terms Agreement may be executed in one or more  
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counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

(b) Headings. The headings herein are inserted for convenience of  
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reference only and are not intended to be part of, or to affect the meaning or interpretation of, the Underwriting Agreement.

(c) Incorporation By Reference; Entire Agreement. This Terms  
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Agreement incorporates by reference the Shelf Underwriting Agreement, as amended and supplemented by this Terms Agreement, and the Underwriting Agreement constitutes the entire agreement among the parties hereto with respect to the Securities and related matters stated herein.

(d) Definitions.  
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(i) Capitalized terms that are not defined in this Terms Agreement have the meanings assigned to them in the Shelf Underwriting Agreement, except as such terms are modified below.

(ii) For purposes of the Underwriting Agreement, the capitalized terms used in this Terms Agreement that are not otherwise defined as defined and the terms set forth below which are defined in the Shelf Underwriting Agreement are modified as follows:

(A) the phrase "Closing Date" in the Shelf Underwriting Agreement is replaced by the phrase "the applicable Delivery  
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Date" as defined in this Terms Agreement;  
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(B) the defined term the "Act" in the Shelf Underwriting Agreement means the "Securities Act" as defined in this Terms Agreement;

(C) "Preliminary Prospectus" means the Preliminary Prospectus Supplement dated April 24, 2001 of the Company relating to the Securities, supplementing the Prospectus (as defined in the Shelf Underwriting Agreement);

(D) "Prospectus" shall mean the final Prospectus Supplement dated the date hereof of the Company relating to the Securities, supplementing the Prospectus (as defined in the Shelf Underwriting Agreement);

(E) the defined term the "Prospectus" in the Shelf Underwriting Agreement means the Prospectus as defined above; and

(F) the term the "Securities" in the Shelf Underwriting Agreement means the "Securities" as defined in this Terms Agreement.

Please signify your acceptance of our offer by signing the enclosed response to us on the space provided and returning it to us not later than 5:00 pm (eastern standard time) today.

Very truly yours,

CREDIT SUISSE FIRST BOSTON CORPORATION  
SALOMON SMITH BARNEY INC.  
BANC OF AMERICA SECURITIES LLC  
J.P. MORGAN SECURITIES INC.  
MORGAN STANLEY & CO. INCORPORATED  
BNP PARIBAS SECURITIES CORP.  
COMMERZBANK CAPITAL MARKETS CORP.  
CREDIT LYONNAIS SECURITIES (USA) INC.  
FIRST UNION SECURITIES, INC.  
MELLON FINANCIAL MARKETS, LLC  
ROBERTSON STEPHENS, INC.  
SCOTIA CAPITAL (USA) INC.  
SG COWEN SECURITIES CORPORATION

By: CREDIT SUISSE FIRST BOSTON CORPORATION

By: SALOMON SMITH BARNEY INC.

On behalf of themselves and as Representatives  
of the several Underwriters,

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Scott E. Zoellner  
Name: Scott E. Zoellner  
Title: Director

SALOMON SMITH BARNEY INC.

By: /s/ Caesar Sweitzer  
-----  
Name: Caesar Sweitzer  
Title: Managing Director

SCHEDULE A

UNDERWRITER -----	NUMBER OF UNITS -----
Credit Suisse First Boston Corporation.....	6,750,000
Salomon Smith Barney Inc.....	3,750,000
Banc of America Securities LLC.....	900,000
J.P. Morgan Securities Inc.....	900,000
Morgan Stanley & Co. Incorporated.....	900,000
First Union Securities, Inc. ....	270,000
Robertson Stephens, Inc. ....	270,000
SG Cowen Securities Corporation.....	270,000
BNP Paribas Securities Corp. ....	198,000
Commerzbank Capital Markets Corp. ....	198,000
Credit Lyonnais Securities (USA) Inc. ....	198,000
Mellon Financial Markets, LLC.....	198,000
Scotia Capital (USA) Inc. ....	198,000
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Total	15,000,000
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Underwriting Agreement

[attached]

[Form of Acceptance Letter by the Company]

[Letterhead of Raytheon Company]

Credit Suisse First Boston Corporation  
Salomon Smith Barney Inc.

May 3, 2001

As Representatives of the Several Underwriters

c/o Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

c/o Salomon Smith Barney Inc.  
388 Greenwich Street  
New York, New York 10013

We hereby accept the offer contained, and on the terms set forth, in the  
Terms Agreement dated May 3, 2001 (the "Terms Agreement") addressed by you to us

relating to the Units (as defined in the Terms Agreement) of the Company.

Very truly yours,

RAYTHEON COMPANY

By:

-----  
[Name]  
[Title]

Form of Lock-Up Agreement for Executive Officers and Directors

CREDIT SUISSE FIRST BOSTON CORPORATION  
SALOMON SMITH BARNEY INC.  
BANC OF AMERICA SECURITIES LLC  
J.P. MORGAN SECURITIES INC.  
MORGAN STANLEY & CO. INCORPORATED  
BANC ONE CAPITAL MARKETS, INC.  
BNP PARIBAS SECURITIES CORP.  
COMMERZBANK CAPITAL MARKETS CORP.  
CREDIT LYONNAIS SECURITIES (USA) INC.  
FIRST UNION SECURITIES, INC.  
MELLON FINANCIAL MARKETS, LLC  
ROBERTSON STEPHENS, INC.  
SCOTIA CAPITAL (USA) INC.  
SG COWEN SECURITIES CORPORATION

c/o Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, NY 10010-3629

May 3, 2001

c/o Salomon Smith Barney Inc.  
388 Greenwich Street  
New York, New York 10013

Dear Ladies and Gentlemen:

The undersigned understands that you and certain other firms propose to enter into a Terms Agreement dated May 3, 2001 providing for the purchase by you and such other firms (the "Underwriters") of 8.25% Equity Security Units (the "Equity Units") of Raytheon Company (the "Company") and a Terms Agreement dated May 3, 2001 providing for the purchase by the Underwriters of Class B common stock of the Company, each of which incorporates, amends and supplements the Company's form of Underwriting Agreement for Debt Securities (collectively the "Underwriting Agreement") and that the Underwriters propose to reoffer the Equity Units and the Common Stock to the public (the "Offering").

In consideration of the execution of the Underwriting Agreement by the Underwriters, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that the undersigned will not, during the period commencing on the date the undersigned signs this agreement and ending 90 days after the date of the Prospectus (as defined in the Underwriting Agreement), without the prior written consent of Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the

Securities Act relating to, shares of the common stock of the Company, securities convertible into or exchangeable or exercisable for any shares of the Company's common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge, or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Company's common stock, whether any such aforementioned transaction is to be settled by delivery of the Company's common stock or such other securities, in cash or otherwise. In addition, the undersigned agrees that, without prior written consent of Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., it will not, during the period commencing on the date hereof and ending 90 days after the Public Offering Date, make any demand for or exercise any right with respect to, the registration of any Securities or any security convertible into or exercisable or exchangeable for the Securities.

Notwithstanding the foregoing, the undersigned may nonetheless (a) transfer shares of common stock by way of testate or intestate succession or by operation of law, (b) transfer shares to members of the undersigned's immediate family or to a trust, partnership, limited liability company or other entity, all of the beneficial interests of which are held by the undersigned or members of the undersigned's immediate family, and (c) transfer shares to charitable organizations; provided, however, that, in the case of transfers pursuant to clauses (a), (b) and (c) of this sentence, the transferee shall have agreed to be bound by the restrictions on transfer contained in the immediately preceding paragraph and such transfer is not effective until the agreement to be bound by the restrictions on transfer is executed by the transferee.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this agreement.

It is understood that, if the Company notifies you that it does not intend to proceed with the Offering prior to 30 days, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the common stock, the undersigned will be released from its obligations under this agreement.

The undersigned understands that the Company and the Underwriters will proceed with the Offering in reliance on this agreement.

Very truly yours,

By: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_

RAYTHEON COMPANY

12,500,000 Shares of Class B Common Stock

TERMS AGREEMENT

May 3, 2001

Raytheon Company  
141 Spring Street  
Lexington, Massachusetts 02173

Attention: Mr. Franklyn A. Caine,  
Senior Vice President and  
Chief Financial Officer

Dear Ladies & Gentlemen:

On behalf of the several Underwriters named in Schedule A hereto and for their respective accounts, we offer to purchase the securities (the "Securities") described below on and subject to the terms and conditions of the Underwriting Agreement attached as Schedule B hereto (the "Shelf Underwriting Agreement"), as amended and supplemented by this Terms Agreement (as so amended and supplemented, the "Underwriting Agreement"). The Underwriting Agreement was filed as exhibit 1.1 to the Registration Statement on Form S-3 (File No. 333-44321) of Raytheon Company, a Delaware corporation (the "Company"), which Registration Statement was amended by the Company's Registration Statement (such registration statement, the "Registration Statement") on Form S-3 (File No. 333-58474). Reference is made to Section 7(d) of this Terms Agreement for a list of defined terms.

The Shelf Underwriting Agreement is hereby amended and supplemented, solely for the purposes of this Terms Agreement, as follows:

1. Introduction.

(a) The first sentence of Section 1 is amended by deleting the word "debt" from the first sentence thereof.

(b) Section 1 is amended by deleting the second sentence thereof.

(c) The third sentence of Section 1 is supplemented by adding the phrase "or classes" after the word "series."

(d) The first sentence of the second paragraph of Section 1 is deleted.

(e) Section 1 is amended by adding the following as the final paragraphs of that section:

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The Underwriters propose to purchase from the Company 12,500,000 shares of its class B common stock, par value \$0.01 per share (the "Firm Securities"). In addition, the Underwriters propose that the Company grant them an option to purchase up to an additional 1,875,000 shares (the "Option Securities") on the terms and for the purposes set forth in Section 3. The Firm Securities and the Option Securities, if purchased, are hereinafter collectively called the "Securities."

Concurrently with the offering and sale of the Securities, the Company has also conducted an offering and will sell to the Underwriters 15,000,000 of its 8.25% Equity Security Units (the "Units"), with an option to purchase 2,250,000 additional Units to cover over-allotments if any (the "Units Offering"), pursuant to a separate underwriting agreement dated the date hereof among the Company and the Underwriters. The consummation of the two offerings is not conditioned on each other.

2. Representations and Warranties of the Company.

(a) Section 2(a) is amended by deleting the phrase "A registration statement (No. 333-44321)" and replacing it with the phrase "The Registration Statement" (as defined in this Terms Agreement).

(b) Section 2 is amended by adding the following as the final paragraphs of that section:

(c) No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission; and no order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Securities Act and the rules and regulations of the Commission thereunder.

(d) The Securities have been duly authorized by the Company and conform to the description thereof contained in the Prospectus.

(e) The Securities, when issued and delivered in accordance with the provisions of the Underwriting Agreement, will be duly and validly issued, fully paid and non-assessable.

(f) There are no preemptive or other rights to subscribe for or to purchase, nor is there any restriction on the voting or transfer of, any of the Securities pursuant to the Company's charter or by-laws or any agreement or instrument.

(g) The issuance and sale of the Securities and the consummation by the Company of the transactions contemplated hereby and thereby (collectively, the "Transactions") will not (1) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the properties or assets of the

Company or any of its subsidiaries is subject, which would cause a material adverse change in the financial position, shareholders equity or results of operations of the Company, (2) result in any violation of the provisions of the charter or by-laws of the Company or any of its subsidiaries or (3) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets which would cause a material adverse change in the financial position, shareholders equity or results of operations of the Company, and (4) require any material consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body for the consummation of the Transactions or the issuance and sale or exchange of the Securities, as the case may be, except for (a) the registration under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder, of the Securities and such consents, approvals, authorizations, registrations or qualifications as may be required under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and applicable state securities laws in connection with the purchase of the Securities by the Underwriters pursuant to the Underwriting Agreement.

(h) The Company is not, and will not be after the application of the net proceeds of the offering of the Securities and the Units Offering, an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

3. Purchase and Offering of Securities. Section 3 of the Shelf Underwriting Agreement is hereby supplemented as follows, and to the extent the Terms Agreement is inconsistent with the Shelf Underwriting Agreement, the Terms Agreement will govern:

(a) Purchase of the Securities by the Underwriters; Grant of Option. On the basis of the representations and warranties contained in, and subject to the terms and conditions of, the Underwriting Agreement, the Company hereby agree to sell 12,500,000 Firm Securities to the several Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase the number of the Firm Securities set forth opposite such Underwriter's name in Schedule A hereto.

In addition, the Company hereby grants to the Underwriters an option to purchase up to 1,875,000 Option Securities. Such option is granted solely for the purpose of covering over-allotments in the sale of the Firm Securities and is exercisable as provided below. Option Securities shall be purchased severally for the account of the Underwriters in proportion to the number of Firm Securities set forth opposite the name of such Underwriter in Schedule A hereto. The respective obligations of each Underwriter with respect to the Option Securities shall be adjusted by Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., as Representatives of the Underwriters (the "Representatives") so that no Underwriter should be obligated to purchase Option Securities other than in 100 unit amounts.

The price of both the Firm Securities and any Option Securities shall be \$26.47 per Security.

The Company shall not be obligated to deliver any of the Securities to be delivered on the First Delivery Date (as hereinafter defined) or the Second Delivery Date (as

hereinafter defined), as the case may be, except upon payment for all the Securities to be purchased on such Delivery Date as provided herein.

(b) Delivery of and Payment for the Securities. Delivery of and payment for the Securities shall be made at the office of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York New York 10017, at 9:00 a.m., New York City time, on the third full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Underwriters and the Company. This date and time are sometimes referred to as the "First Delivery Date." On the First Delivery Date, the Company, through the facilities of The Depository Trust Company ("DTC"), shall deliver or cause to be delivered the Securities to the Representatives for the account of each Underwriter against payment to or upon the order of the Company of the purchase price by wire transfer of same-day funds to a bank account designated by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to the Underwriting Agreement is a further condition of the obligation of each Underwriter hereunder. Upon delivery, the Firm Securities will be registered in the name of Cede & Co., as nominee for DTC.

At any time on or before the 30th after the date of this Agreement the option granted above may be exercised by written notice being given to the Company by the Underwriters. Such notice shall set forth the aggregate number of Option Securities as to which the option is being exercised, the names in which the Option Securities are to be registered, the denominations in which the Option Securities are to be issued and the date and time, as determined by the Underwriters, when the Option Securities are to be delivered; provided, however, that this date and time shall not be earlier than the First Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. The date and time the Option Securities are delivered are sometimes referred to as the "Second Delivery Date" and the First Delivery Date and the Second Delivery Date are sometimes each referred to as a "Delivery Date".

Delivery of and payment for the Option Securities shall be made at the place specified in the first sentence of the first paragraph of this Section (or at such other place as shall be determined by agreement between the Underwriters and the Company) at 9:00 a.m., New York City time, on the Second Delivery Date. On the Second Delivery Date, the Company, through the facilities of DTC, shall deliver or cause to be delivered the Option Securities to the Representatives for the account of each Underwriter against payment to or upon the order of the Company of the purchase price by wire transfer of same-day funds to a bank account designated by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to the Underwriting Agreement is a further condition of the obligation of each Underwriter hereunder. Upon delivery, the Option Securities shall be registered in the name of Cede & Co., as nominee of DTC.

#### 4. Certain Agreements of the Company.

-----

(a) Section 4(f) of the Shelf Underwriting Agreement is amended by replacing it with the following new Section 4(f):



Expenses. The Company agrees to pay (a) the fees, disbursements and expenses of its counsel and accountants in connection with the registration of the Securities under the Securities Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Preliminary Prospectus and the Prospectus and amendments and supplements thereto; (b) the costs incident to the authorization, issuance, sale and delivery of the Securities and any taxes payable in connection therewith; (c) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement and any amendments and exhibits thereto; (d) the costs of distributing the Registration Statement as originally filed and each amendment thereto and any post-effective amendments thereof (including, in each case, exhibits), the Preliminary Prospectus, the Prospectus and any amendment or supplement to any such prospectus or any document incorporated by reference therein, all as provided in this Agreement; (e) any applicable listing or other fees; (f) the fees and expenses of qualifying the Securities under the securities laws of the several jurisdictions as provided in Section 6(h) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); (g) the filing fees and any expenses of legal counsel incident to any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities, including any fees incurred on behalf of or disbursements by Morgan Stanley & Co. Incorporated in its capacity as "qualified independent underwriter"; (h) the fees and expenses of the registrar and transfer agent of the Company, if any; (i) any transfer taxes payable in connection with the sale of the Securities to the Underwriters; and (j) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; provided that, except as provided in Section 8 of the Shelf Underwriting Agreement, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Units which they may sell and the expenses of advertising any offering of the Units made by the Underwriters.

(b) Section 4(g) of the Shelf Underwriting Agreement is replaced with the following new Section 4(g):

"The Company agrees and each of its executive officers and directors will execute and deliver an agreement, the form of which is contained in Schedule D hereto, to the effect that he or she will agree, not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, shares of the common stock of the Company, securities convertible into or exchangeable or exercisable for any shares of the Company's common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Company's common stock, whether any of such aforementioned transaction is to be settled by delivery of the Company's common stock or such other securities, in cash or otherwise, or publicly dispose the Company's intention to make any offer, sale, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., for a period of 90 days after the date of the

Prospectus, except that (1) the Company may transfer shares of its Common Stock in connection with the forward/reverse stock split and reclassification of the Company's Common Stock, as described in the Prospectus, and (2) directors and executive officers of the Company may, with the consent of the Company and consistent with the Underwriting Agreement, sell up to 30,000 shares of the Company's Class A and Class B common stock to pay for tax liabilities owed to U.S. and state governments in the ordinary course."

5. Conditions of the Obligations of the Underwriters.  
-----

(a) Section 5(a) and Section 5(i) are amended by replacing the name of "Coopers & Lybrand L.L.P." with the name "PricewaterhouseCoopers L.L.P."

(b) The text of Section 5(b) is deleted and replaced with "[Reserved]."

(c) Section 5(e) is amended as follows:

(1) Paragraph (ii) of Section 5(e) is replaced by the following new paragraph (ii):

"The Securities have been duly authorized by the Company and, when issued and delivered in accordance with the provisions of the Underwriting Agreement, will be duly and validly issued, fully paid and non-assessable."

(2) The phrase "the Indenture," in paragraph (iii) of Section 5(e) is deleted.

(3) Paragraph (iv) is deleted.

(4) The following new paragraph (vii) is added:

There are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any shares of common stock pursuant to the Company's charter or by-laws or any agreement or other instrument known to such counsel.

(d) Section 5(f) is amended as follows:

(1) The following new paragraph replaces existing paragraph (ii):

(ii) "Based upon current law, the assumptions and facts stated or referred to in the Prospectus Supplement (including under the caption 'Certain U.S. Federal Tax Considerations for Non-U.S. Holders of Our Common Stock') and subject to the qualifications and limitations set forth in the Prospectus Supplement (including under the caption 'Certain Federal Tax Considerations for Non-U.S. Holders of Our Common Stock'), the statements set forth in the Prospectus Supplement under the caption 'Certain U.S. Federal Tax Considerations for Non-U.S. Holders of Our Common Stock,' insofar as they purport to constitute summaries of

United States federal income tax laws and regulations or legal conclusions with respect thereto (but not insofar as they relate to expectations, intentions or determinations), constitute accurate summaries of the matters described under such caption in all material respects."

(e) Section 5(g) is amended by replacing the name "Cravath, Swaine & Moore" with the name "Simpson Thacher & Bartlett".

#### 6. Indemnification and Contribution.

-----

(a) Section 6 is supplemented by adding the following sentence at the end of paragraph (a) thereof, as follows:

"The Company also agrees to indemnify and hold harmless Morgan Stanley & Co. Incorporated ("Morgan Stanley") and each person, if any, who controls Morgan Stanley within the meaning of either Section 15 of the Act, or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and judgments incurred as a result of Morgan Stanley's participation as a "qualified independent underwriter" within the meaning of Rule 2720 of the National Association of Securities Dealers' Conduct Rules in connection with the offering of the Units, except for any losses, claims, damages, liabilities, and judgments resulting from Morgan Stanley's, or such controlling person's, willful misconduct."

(b) Section 6 is supplemented by adding the following sentence at the end of paragraph (c) thereof, as follows:

"Notwithstanding anything contained herein to the contrary, if indemnity may be sought pursuant to Section 6(a) hereof in respect of such action or proceeding, then in addition to such separate firm for the indemnified parties, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one separate firm (in addition to any local counsel) for Morgan Stanley in its capacity as a "qualified independent underwriter" and all persons, if any, who control Morgan Stanley within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act."

#### 7. Other.

-----

(a) Counterparts. The Terms Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

(b) Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, the Underwriting Agreement.

(c) Incorporation By Reference; Entire Agreement. This Terms Agreement incorporates by reference the Shelf Underwriting Agreement, as amended and supplemented by this Terms Agreement, and the Underwriting Agreement constitutes the entire agreement among the parties hereto with respect to the Securities and related matters stated herein.

(d) Definitions.

(i) Capitalized terms that are not defined in this Terms Agreement have the meanings assigned to them in the Shelf Underwriting Agreement, except as such terms are modified below.

(ii) For purposes of the Underwriting Agreement, the capitalized terms used in this Terms Agreement that are not otherwise defined and the terms set forth below which are defined in the Shelf Underwriting Agreement are modified as follows:

(A) the phrase "Closing Date" in the Shelf Underwriting Agreement shall be replaced by the phrase "the applicable Delivery Date" as defined in this Terms Agreement;

(B) the defined term the "Act" in the Shelf Underwriting Agreement shall mean the "Securities Act" as defined in this Terms Agreement;

(C) "Preliminary Prospectus" means the Preliminary Prospectus Supplement dated April 24, 2001 of the Company relating to the Securities, supplementing the Prospectus (as defined in the Shelf Underwriting Agreement);

(D) "Prospectus" means the final Prospectus Supplement dated the date hereof of the Company relating to the Securities, supplementing the Prospectus;

(E) the term the "Prospectus" in the Shelf Underwriting Agreement means the "Prospectus" as defined above; and

(F) the term the "Securities" in the Shelf Underwriting Agreement means the "Securities" as defined in this Terms Agreement.

Please signify your acceptance of our offer by signing the enclosed response to us in the space provided and returning it to us not later than 5:00 pm (eastern standard time) today.

Very truly yours,

CREDIT SUISSE FIRST BOSTON CORPORATION  
SALOMON SMITH BARNEY INC.  
BANC OF AMERICA SECURITIES LLC  
J.P. MORGAN SECURITIES INC.  
MORGAN STANLEY & CO. INCORPORATED  
COMMERZBANK CAPITAL MARKETS CORP.  
CREDIT LYONNAIS SECURITIES (USA) INC.  
FIRST UNION SECURITIES, INC.  
MELLON FINANCIAL MARKETS, LLC  
ROBERTSON STEPHENS, INC.  
SCOTIA CAPITAL (USA) INC.  
SG COWEN SECURITIES

By: CREDIT SUISSE FIRST BOSTON CORPORATION

By: SALOMON SMITH BARNEY INC.

On behalf of themselves and as Representatives of  
the several Underwriters,

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Scott E. Zoellner

-----  
Name: Scott E. Zoellner  
Title: Director

SALOMON SMITH BARNEY INC.

By: /s/ Caesar Sweitzer

-----  
Name: Caesar Sweitzer  
Title: Managing Director

SCHEDULE A

UNDERWRITER  
 - - - - -

NUMBER OF SECURITIES  
 - - - - -

Credit Suisse First Boston Corporation.....	5,625,000
Salomon Smith Barney Inc.....	3,125,000
Banc of America Securities LLC.....	750,000
J.P. Morgan Securities Inc.....	750,000
Morgan Stanley & Co. Incorporated.....	750,000
First Union Securities, Inc. ....	225,000
Robertson Stephens, Inc. ....	225,000
SG Cowen Securities Corporation.....	225,000
Commerzbank Capital Markets Corp. ....	206,250
Credit Lyonnais Securities (USA) Inc. ....	206,250
Mellon Financial Markets, LLC.....	206,250
Scotia Capital (USA) Inc. ....	206,250
	- - - - -
Total	12,500,000
	=====

Underwriting Agreement

[attached]

SCHEDULE C

[Form of Acceptance Letter by the Company]

[Letterhead of Raytheon Company]

Credit Suisse First Boston Corporation  
Salomon Smith Barney Inc.

May 3, 2001

As Representatives of the Several Underwriters

c/o Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

c/o Salomon Smith Barney Inc.  
388 Greenwich Street  
New York, NY 10013

We hereby accept the offer contained, and on the terms set forth, in the Terms Agreement dated May 3, 2001 (the "Terms Agreement") addressed by you to us relating to 12,500,000 shares of class B common stock, par value \$0.01 per share.

Very truly yours,

RAYTHEON COMPANY

By:

-----  
[Name]  
[Title]



SCHEDULE D

Form of Lock-Up Agreement for Executive Officers and Directors

CREDIT SUISSE FIRST BOSTON CORPORATION  
SALOMON SMITH BARNEY INC.  
BANC OF AMERICA SECURITIES LLC  
J.P. MORGAN SECURITIES INC.  
MORGAN STANLEY & CO. INCORPORATED  
BANC ONE CAPITAL MARKETS, INC.  
BNP PARIBAS SECURITIES CORP.  
COMMERZBANK CAPITAL MARKETS CORP.  
CREDIT LYONNAIS SECURITIES (USA) INC.  
FIRST UNION SECURITIES, INC.  
MELLON FINANCIAL MARKETS, LLC  
ROBERTSON STEPHENS, INC.  
SCOTIA CAPITAL (USA) INC.  
SG COWEN SECURITIES

c/o Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, NY 10010-3629]

May 3, 2001

c/o Salomon Smith Barney Inc.  
388 Greenwich Street  
New York, New York 10013

Dear Ladies and Gentlemen:

The undersigned understands that you and certain other firms propose to enter into a Terms Agreement dated May 3, 2001 providing for the purchase by you and such other firms (the "Underwriters") of 8.25% Equity Security Units (the "Equity Units") of Raytheon Company (the "Company") and a Terms Agreement dated May 3, 2001 providing for the purchase by the Underwriters of Class B common stock of the Company, each of which incorporates, amends and supplements the Company's form of Underwriting Agreement for Debt Securities (collectively the "Underwriting Agreement") and that the Underwriters propose to reoffer the Equity Units and the Common Stock to the public (the "Offering").

In consideration of the execution of the Underwriting Agreement by the Underwriters, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that the undersigned will not, during the period commencing on the date the undersigned signs this agreement and ending 90 days after the date of the Prospectus (as defined in the Underwriting Agreement), without the prior written consent of Credit Suisse First Boston Corporation and Salomon Smith Barney, Inc., offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, shares of the common stock of the Company, securities convertible into or exchangeable or exercisable for any shares of the Company's common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge, or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Company's common stock, whether any such aforementioned transaction is

to be settled by delivery of the Company's common stock or such other securities, in cash or otherwise. In addition, the undersigned agrees that, without prior written consent of Credit Suisse First Boston Corporation and Salomon Smith Barney Inc., it will not, during the period commencing on the date hereof and ending 90 days after the Public Offering Date, make any demand for or exercise any right with respect to, the registration of any Securities or any security convertible into or exercisable or exchangeable for the Securities.

Notwithstanding the foregoing, the undersigned may nonetheless (a) transfer shares of common stock by way of testate or intestate succession or by operation of law, (b) transfer shares to members of the undersigned's immediate family or to a trust, partnership, limited liability company or other entity, all of the beneficial interests of which are held by the undersigned or members of the undersigned's immediate family, and (c) transfer shares to charitable organizations; provided, however, that, in the case of transfers pursuant to clauses (a), (b) and (c) of this sentence, the transferee shall have agreed to be bound by the restrictions on transfer contained in the immediately preceding paragraph and such transfer is not effective until the agreement to be bound by the restrictions on transfer is executed by the transferee.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this agreement.

It is understood that, if the Company notifies you that it does not intend to proceed with the Offering prior to 30 days, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the common stock, the undersigned will be released from its obligations under this agreement.

The undersigned understands that the Company and the Underwriters will proceed with the Offering in reliance on this agreement.

Very truly yours,

By:-----  
Name:  
Title:

Dated: -----

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AMENDED AND RESTATED  
DECLARATION OF TRUST  
OF RC TRUST I

DATED AS OF MAY 9, 2001

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AMENDED AND RESTATED DECLARATION OF TRUST

This Amended and Restated Declaration of Trust of RC Trust I ("Declaration"), dated as of May 9, 2001, by and among Raytheon Company, a Delaware corporation, as Sponsor, Richard A. Goglia, Franklyn A. Caine, and Thomas D. Hyde, as the initial Regular Trustees, The Bank of New York, as the initial Property Trustee, The Bank of New York (Delaware), as the initial Delaware Trustee, as Trustees, and the Holders, from time to time, of the Securities representing undivided beneficial ownership interests in the assets of the Trust to be issued pursuant to this Declaration.

WHEREAS, certain of the Trustees and the Sponsor established RC Trust I (the "Trust"), a business trust under the Business Trust Act, pursuant to a Declaration of Trust dated as of April 4, 2001, (the "Original Declaration") and a Certificate of Trust (the "Certificate of Trust") filed with the Secretary of State of the State of Delaware on April 4, 2001; and

WHEREAS, the exclusive purposes and functions of the Trust shall be to issue the Securities (as defined herein) in exchange for the Subordinated Notes issued by the Subordinated Notes Issuer (each as defined herein) and except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto; and

WHEREAS, the parties hereto, by this Declaration, amend and restate each and every term and provision of the Original Declaration.

NOW, THEREFORE, it being the intention of the parties hereto to continue the Trust as a business trust under the Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees hereby declare that all assets contributed to the Trust be held in trust for the benefit of the Holders, from time to time, of the Securities representing undivided beneficial ownership interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration.

ARTICLE 1: INTERPRETATION AND DEFINITIONS

SECTION 1.1 Interpretation and Definitions. Unless the context

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otherwise requires:

(a) capitalized terms used in this Declaration but not defined in the preamble above shall have the meanings assigned to them in this Section 1.1;

(b) a term defined anywhere in this Declaration shall have the same meaning throughout;

(c) all references to "the Declaration" or "this Declaration" shall be to this Declaration as modified, supplemented or amended from time to time;

(d) all references in this Declaration to Articles, Sections, Recitals and Exhibits shall be to Articles and Sections of, or Recitals and Exhibits to, this Declaration unless otherwise specified;

(e) unless otherwise defined in this Declaration, a term defined in the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), shall have the same meaning when used in this Declaration; and

(f) a reference to the singular shall include the plural and vice versa, and a reference to any masculine form of a term shall include the feminine or neuter form of a term, as applicable.

(g) the following terms shall have the following meanings:

"Affiliate" of any specified Person shall mean any other Person

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directly or indirectly controlling or controlled by, or under direct or indirect common control with, such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Applicable Ownership Interest" shall mean, with respect to

-----  
Equity Security Units and the U.S. treasury securities in the Treasury Portfolio, (A) a 1/20, or 5%, undivided beneficial ownership interest in a \$1,000 face amount of a principal or interest strip in a U.S. treasury security included in such Treasury Portfolio that matures on or prior to May 15, 2004 and (B) for each scheduled interest payment date on the Subordinated Notes after the Tax Event Redemption Date, a 1/20, or 5%, undivided beneficial ownership interest in a \$1,000 face amount of a principal or interest strip in a U.S. treasury security that matures on or prior to such date.

"Applicable Principal Amount" shall mean either (A) if the Tax

-----  
Event Redemption Date occurs prior to the Purchase Contract Settlement Date, the aggregate principal amount of the Subordinated Notes corresponding to the aggregate stated liquidation amount of the Preferred Securities that are components of the Equity Security Units on the Tax Event Redemption Date or (B) if the Tax Event Redemption Date occurs on or after the Purchase Contract Settlement Date, the aggregate principal amount of the Subordinated Notes corresponding to the aggregate stated liquidation amount of the Preferred Securities outstanding on such Tax Event Redemption Date.

"Authorized Officer" of a Person shall mean any Person that is

-----  
authorized to bind such Person.

"Beneficial Owner" shall mean, with respect to a Global Security,

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a Person who is the beneficial owner of such book-entry interest as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly as a Depository Participant or as an indirect participant, in each case in accordance with the rules of such Depository).



"Business Day" shall mean any day other than a Saturday, Sunday

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or any other day on which banking institutions in the Commonwealth of Massachusetts are authorized or obligated by law or executive order to be closed.

"Business Trust Act" shall mean Chapter 38 of Title 12 of the

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Delaware Code, 12 Del. Code Section 3801 et seq., as it may be amended from time to time, or any successor legislation.

"Certificate" shall mean a Common Security Certificate or a

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Preferred Security Certificate.

"Clearing Agency" shall mean an organization registered as a

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"Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as depository for the Preferred Securities and in whose name or in the name of a nominee of that organization shall be registered a Global Certificate and which shall undertake to effect book entry transfers and pledges of the Preferred Securities.

"Closing Date" shall mean the date on which the Preferred

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Securities are issued and sold.

"Code" shall mean the Internal Revenue Code of 1986, as amended

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from time to time, or any successor legislation. A reference to a specific section of the Code refers not only to such specific section but also to any corresponding provision of any federal tax statute enacted after the date of this Declaration, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Declaration containing such reference.

"Collateral Agent" shall mean Bank One Trust Company, N.A.

-----

"Commission" shall mean the Securities and Exchange Commission.

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"Common Security" shall have the meaning specified in Section

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7.1(a).

"Common Security Certificate" shall mean a definitive certificate

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in fully registered form representing a Common Security, substantially in the form of Exhibit B hereto.

"Common Stock" shall mean the Class B Common Stock, par value

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\$.01, of the Company as such class may be reclassified, with the Class A, Common Stock, par value \$.01, of the Company into one new Class of Common Stock of the Company as set forth in the Prospectus dated April 6, 2001 under "Description of Our Class A and Class B Common Stock--Reverse/Forward Split" and "--Reclassification of our Existing Two Classes of Common Stock into a Single New Class of Common Stock."

"Company" shall mean Raytheon Company, a Delaware corporation,

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the Sponsor, Subordinated Notes Issuer, and the parent of the Trust.

"Compounded Distributions" shall have the meaning specified in  
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Section 7.2(b).

"Corporate Trust Office" shall mean the principal office of the  
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Property Trustee at which, at any particular time, its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, Floor 21W, New York, NY 10286, Attn: Corporate Trust Administration or such other address as the Property Trustee may designate.

"Covered Person" shall mean (A) any officer, director,  
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shareholder, partner, member, representative, employee or agent of (i) the Sponsor, (ii) the Sponsor's Affiliates, (iii) the Trust or (iv) the Trust's Affiliates and (B) any Holder.

"Depository" shall mean, with respect to Securities issuable in  
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whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as depository for such Securities, and initially shall be The Depository Trust Company.

"Depository Agreement" shall mean the agreement among the Trust,  
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the Property Trustee and the Depository dated as of the Closing Date, as the same may be amended or supplemented from time to time.

"Depository Participant" shall mean a member of, or participant  
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in, the Depository.

"Direct Action" shall have the meaning specified in Section  
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3.8(e).

"Distribution" shall mean a distribution payable to the Holders  
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in accordance with Section 7.2.

"Early Settlement" shall have the meaning specified in the  
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Purchase Contract Agreement.

"Early Settlement Amount" shall have the meaning specified in the  
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Purchase Contract Agreement.

"Equity Security Units" shall mean the 8.25% Equity Security  
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Units of the Company comprised of (A) a purchase contract under which (i) the holder of the unit agrees to purchase from the Company and the Company agrees to sell to the holder, for \$50.00 in cash, a certain number of shares of Common Stock pursuant to the Purchase Contract Agreement and (ii) the Subordinated Notes Issuer will pay such holder contract adjustment payments and (B) either beneficial ownership of (i) a Preferred Security or Subordinated Note, or in certain circumstances following the occurrence of a Tax Event, the appropriate Applicable Ownership Interest of the Treasury Portfolio or (ii) following the Remarketing of the Preferred Securities pursuant to the Purchase Contract Agreement and the Remarketing Agreement, the appropriate Treasury Consideration (as defined in the Purchase Contract Agreement).

"Exchange Act" shall mean the Securities Exchange Act of 1934 and  
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any statute successor thereto, in each case as amended from time to time, and  
the rules and regulations of the Commission promulgated thereunder.

"Failed Remarketing" shall have the meaning specified in Section  
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7.13(h).

"Fiscal Year" shall have the meaning specified in Section 10.1.  
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"First Delivery Date" shall have the meaning specified in the  
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Underwriting Agreement.

"Foreign Person" shall mean any Person that is not a United  
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States Person.

"Global Certificate" shall have the meaning specified in Section  
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7.1(h).

"Global Security" shall mean a global Preferred Security  
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Certificate registered in the name of a Depositary or its nominee.

"Guarantee" shall mean the guarantee of the Company for the  
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benefit of the beneficial holders of the Securities issued pursuant to the  
Guarantee Agreement, dated as of May 9, 2001, of the Sponsor, as may be amended  
from time to time, in respect of the Securities.

"Holder" shall mean any holder of Preferred Securities or Common  
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Securities, as registered on the books and records of the Trust, such holder  
being a beneficial owner within the meaning of the Business Trust Act, provided  
that in determining whether the Holders of the requisite liquidation amount of  
Preferred Securities have voted on any matter provided for in this Declaration,  
then for the purpose of such determination only (and not for any other purpose  
hereunder), if the Preferred Securities remain in the form of one or more Global  
Securities and if the Depositary that is the holder of such Global Securities  
has sent an omnibus proxy to the Depositary Participants to whose accounts the  
Preferred Securities are credited on the record date, the term "Holders" shall  
mean such Depositary Participants acting at the direction of the Beneficial  
Owners.

"Indemnified Person" shall mean any Trustee, any Affiliate of any  
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Trustee, any Paying Agent, any officers, directors, shareholders, members,  
partners, employees, representatives or agents of any Trustee, Affiliate of a  
Trustee or Paying Agent, or any officer, employee or agent of the Trust or any  
of its Affiliates.

"Indenture" shall mean the indenture dated as of July 3, 1995, as  
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supplemented by a supplemental indenture relating to the Subordinated Notes,  
dated as of May 9, 2001, between the Subordinated Notes Issuer and the Indenture  
Trustee (including the provisions of the Trust Indenture Act that are deemed  
incorporated therein), pursuant to which the Subordinated Notes are to be  
issued.

"Indenture Event of Default" shall have the meaning given to the  
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term "Event of Default" in the Indenture.

"Indenture Trustee" shall mean The Bank of New York, a New York  
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banking corporation, in its capacity as trustee under the Indenture, or any  
successor thereto.

"Investment Company" shall mean an investment company as defined  
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in the Investment Company Act.

"Investment Company Act" shall mean the Investment Company Act of  
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1940, as amended from time to time, or any successor legislation and the rules  
and regulations of the Commission promulgated thereunder..

"Legal Action" shall have the meaning specified in Section  
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3.6(e).

"List of Holders" shall have the meaning specified in Section  
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2.2(a).

"Majority in Liquidation Amount" shall mean, except as provided  
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by the Trust Indenture Act, Holders of outstanding Securities, voting together  
as a single class, or, as the context may require, Holders of outstanding  
Preferred Securities or Holders of the outstanding Common Securities, voting  
separately as a class, who are the record owners of more than 50% of the  
aggregate liquidation amount (including the stated amount that would be paid on  
redemption, liquidation or otherwise, plus accumulated and unpaid Distributions  
to the date upon which the voting percentages are determined) of all outstanding  
Securities, Preferred Securities or Common Securities, as the case may be.

"New York Stock Exchange" shall mean the New York Stock  
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Exchange, Inc. or any successor thereto.

"Officers' Certificate" shall mean, when delivered by the Trust,  
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a certificate signed by a majority of the Regular Trustees of the Trust and,  
when delivered by the Sponsor, a certificate signed by (A) the Chairman of the  
Board, President or a Vice President of the Sponsor and (B) the Treasurer,  
Assistant Treasurer or Secretary of the Sponsor. Any Officers' Certificate  
delivered with respect to compliance with a condition or covenant provided for  
in this Declaration shall include, where applicable:

(i) a statement that each officer signing the Officers'  
Certificate has read the covenant or condition and the definitions relating  
thereto;

(ii) a brief statement of the nature and scope of the examination  
or investigation undertaken by each officer in rendering the Officers'  
Certificate;

(iii) a statement that each such officer has made such examination  
or investigation as, in such officer's opinion, is necessary to enable such  
officer 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, in the opinion of each such officer, such condition or covenant has been complied with.

"Over-allotment Option" shall mean the over-allotment option  
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contained in the Underwriting Agreement.

"Paying Agent" shall have the meaning specified in Section  
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3.8(h).

"Payment Amount" shall have the meaning specified in Section  
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7.2(c).

"Person" shall mean a legal person, including any individual,  
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corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Pledge Agreement" shall mean the Pledge Agreement dated as of  
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May 9, 2001 among the Company, Bank One Trust Company, N.A. as the Collateral Agent, the Custodial Agent and Securities Intermediary and The Bank of New York, as Purchase Contract Agent.

"Preferred Security" shall have the meaning specified in Section  
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7.1(a).

"Preferred Security Certificate" shall mean a definitive  
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certificate in fully registered form representing a Preferred Security, substantially in the form of Exhibit A.

"Primary Treasury Dealer" shall mean a primary U.S. government  
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securities dealer in New York City.

"Property Account" shall mean a segregated non-interest bearing  
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trust account maintained with a banking institution, the rating on whose long-term unsecured indebtedness is at least equal to the rating assigned to the Preferred Securities by a "nationally recognized statistical rating organization" within the meaning of Rule 436(g)(2) under the Securities Act.

"Property Trustee" shall mean the Trustee meeting the eligibility  
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requirements set forth in Section 6.3.

"Pro Rata" shall mean pro rata to each Holder according to the  
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aggregate liquidation amount of the Securities held by such Holder in relation to the aggregate liquidation amount of all Securities outstanding.

"Purchase Contract Agent" shall mean The Bank of New York until a  
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successor shall have been appointed pursuant to the applicable provisions of the Purchase Contract Agreement.

"Purchase Contract Agreement" shall mean the Purchase Contract  
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Agreement dated as of May 9, 2001 between the Company and The Bank of New York,  
as Purchase Contract Agent.

"Purchase Contract Settlement Date" shall mean May 15, 2004.  
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"Quarterly Payment Date" shall mean February 15, May 15, August  
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15, and November 15, of each year, commencing August 15, 2001.

"Quorum" shall mean a majority of the Regular Trustees or, if  
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there are only two Regular Trustees, both of them.

"Quotation Agent" shall mean any Primary Treasury Dealer selected  
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by the Sponsor to act as the quotation agent in connection with a Tax Event  
Redemption.

"Redemption Amount" shall mean, for each Subordinated Note, the  
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product of the principal amount of such Subordinated Note and a fraction, the  
numerator of which shall be the Treasury Portfolio Purchase Price and the  
denominator of which shall be the Applicable Principal Amount.

"Redemption/Distribution Notice" shall have the meaning specified  
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in Section 7.4(a).

"Redemption Price" shall mean the amount for which the Securities  
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will be redeemed pursuant to the Indenture, which amount will equal the lesser  
of (i) the redemption price paid by the Subordinated Notes Issuer to repay or  
redeem, in whole but not in part, the Subordinated Notes held by the Trust plus  
an amount equal to accumulated and unpaid Distributions on such Securities  
through the date of their redemption or (ii) the amount received by the Trust in  
respect of the Subordinated Notes so repaid or redeemed.

"Regular Trustee" shall mean any trustee of the Trust other than  
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the Property Trustee and the Delaware Trustee.

"Remarketing" shall mean the operation of the procedures for  
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remarketing specified in Section 7.13.

"Remarketed Securities" shall mean (i) so long as the Trust has  
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not been dissolved, the Preferred Securities or (ii) if the Trust has been  
dissolved, the Subordinated Notes.

"Remarketing Agent" shall mean a nationally recognized investment  
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banking firm selected by the Sponsor in connection with the Remarketing under  
the Remarketing Agreement.

"Remarketing Agreement" shall mean the Remarketing Agreement to  
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be entered into between the Company and the Remarketing Agent.

"Remarketing Date" shall mean the third business day preceding

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February 15, 2004.

"Remarketing Settlement Date" shall mean the date, if any, on

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which the settlement of the Remarketed Securities has occurred through the normal settlement procedures in effect at such time of the Depositary or any successor Depositary.

"Remarketing Value" shall mean an amount equal to the sum of: (A)

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the value at the Remarketing Date of such amount of U.S. Treasury securities that will pay, on or prior to the Quarterly Payment Date falling on the Purchase Contract Settlement Date, an amount of cash equal to the aggregate distributions that are scheduled to be payable on that Quarterly Payment Date on (1) each Preferred Security which is included in an Equity Security Unit and (2) each Preferred Security that is not a component of an Equity Security Unit, in each case, which are participating in the Remarketing, assuming for this purpose, even if not true, that (x) no distribution payment will then have been deferred and (y) the distribution rate on the Preferred Securities remains at 7.00%; (B) the value at the Remarketing Date, or the Subsequent Remarketing Date, as the case may be, of such amount of U.S. Treasury securities that will pay, on or prior to the Purchase Contract Settlement Date, an amount of cash equal to \$50 for each Preferred Security which is participating in the Remarketing; and (C) if distribution payments are being deferred at the Remarketing Date, an amount of cash equal to the aggregate unpaid deferred payments on each Preferred Security which is included in an Equity Security Unit and which is participating in the remarketing, accumulated to February 15, 2004; provided that, for purposes of clauses (A) and (B) above, the value on the Remarketing Date of the U.S. Treasury securities will assume that (x) the U.S. Treasury securities are highly liquid treasury securities maturing on or within 35 days prior to the Purchase Contract Settlement Date (as determined in good faith by the Remarketing Agent in a manner intended to minimize the cash value of such U.S. Treasury securities) and (2) those U.S. Treasury securities are valued based on the ask-side price of the U.S. Treasury securities at a time between 9:00 a.m. and 11:00 a.m. New York City time, selected by the Remarketing Agent, on the Remarketing Date (as determined on a third-day settlement basis by a reasonable and customary means selected in good faith by the Remarketing Agent) plus accrued interest to that date.

"Reset Rate" shall mean the distribution rate per annum, as

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determined by the Remarketing Agent, that results from the Remarketing pursuant to Section 7.13.

"Responsible Officer" shall mean, with respect to the Property

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Trustee, any officer within the corporate trust department of the Property Trustee, including any vice president, assistant vice president, assistant treasurer, trust officer or any other officer of the Property Trustee who customarily performs functions similar to those performed by persons who at the time shall be officers, or who shall have direct responsibility for the administration of this Declaration and also shall mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred due to that officer's knowledge of and familiarity with the particular subject.

"Rule 3a-5" shall mean Rule 3a-5 under the Investment Company Act  
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or any successor rule thereunder.

"Scheduled Remarketing Settlement Date" shall mean the date, if  
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any, on which the settlement of the Remarketed Securities is scheduled to occur.

"Second Delivery Date" shall have the meaning specified in the  
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Underwriting Agreement.

"Securities" shall mean the Common Securities and the Preferred  
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Securities.

"Securities Act" shall mean the Securities Act of 1933, as  
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amended from time to time, or any successor legislation and the rules and  
regulations of the Commission promulgated thereunder.

"Security Registrar" shall have the meaning specified in Section  
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7.9(a)(iv).

"Sponsor" shall mean the Company or any successor entity in a  
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merger, consolidation, conversion, amalgamation or replacement by or conveyance,  
transfer or lease of its properties substantially as an entirety, in its  
capacity as sponsor of the Trust.

"Subordinated Notes" shall mean the series of 7.00% Subordinated  
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Notes, due 2006 to be issued by the Subordinated Notes Issuer under the  
Indenture and exchanged for the Securities pursuant to Section 3.6 and held by  
the Property Trustee.

"Subordinated Notes Issuer" shall mean the Company or any  
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successor entity in a merger, consolidation, conversion, amalgamation or  
replacement by or conveyance, transfer or lease of its properties substantially  
as an entirety, in its capacity as issuer of the Subordinated Notes under the  
Indenture.

"Subsequent Remarketing" shall have the meaning specified in  
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Section 7.13(i).

"Subsequent Remarketing Date" shall mean, provided there has been  
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one or more Failed Remarketings, the date on which the Remarketing Agent has  
conducted a successful remarketing in accordance with section .

"Successor Delaware Trustee" shall have the meaning specified in  
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Section 6.6(b).

"Successor Entity" shall have the meaning specified in Section  
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3.15(b)(i).

"Successor Property Trustee" shall have the meaning specified in  
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Section 6.6(b).



"Successor Security" shall have the meaning specified in Section  
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3.15(b)(i)(B).

"Supermajority" shall have the meaning specified in Section  
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2.6(b)(ii).

"Tax Event" shall mean the receipt by the Sponsor and the Trust  
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of an opinion of counsel, rendered by a law firm having a recognized national tax practice, to the effect that, as a result of any amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative decision, pronouncement, judicial decision or action interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement, action or decision is announced on or after the Closing Date, there is more than an insubstantial increase in the risk that (i) the Trust is, or within 90 days of the date of such opinion will be, subject to United States federal income tax with respect to income received or accrued on the Subordinated Notes, (ii) interest (or original issue discount) payable by the Subordinated Notes Issuer on the Subordinated Notes is not, or within 90 days of the date of such opinion will not be, deductible by the Subordinated Notes Issuer, in whole or in part, for United States federal income tax purposes, or (iii) the Trust is, or within 90 days of the date of such opinion will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Tax Event Redemption" shall mean that a Tax Event has occurred  
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and is continuing and the Subordinated Notes have been called for redemption pursuant to the Indenture.

"Tax Event Redemption Date" shall mean the date specified by the  
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Subordinated Notes Issuer on which the Subordinated Notes are redeemed pursuant to a Tax Event Redemption pursuant to the Indenture.

"10% in Liquidation Amount" shall mean, except as provided by the  
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Trust Indenture Act, Holder(s) of outstanding Securities, voting together as a single class, or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities, voting separately as a class, who are the record owners of 10% or more of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accumulated and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of the relevant class.

"Termination Event" shall have the meaning set forth in Section  
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1.1 of the Purchase Contract Agreement.

"Treasury Equity Security Units" shall mean a Equity Security  
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Units with respect to which Treasury Securities have been substituted for the Preferred Securities or Applicable Ownership Interest of the Treasury Portfolio component, as applicable.

"Treasury Portfolio" shall mean, with respect to the Applicable

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Principal Amount of Subordinated Notes, (A) if the Tax Event Redemption Date occurs prior to the Purchase Contract Settlement Date, a portfolio of zero-coupon U.S. treasury securities consisting of (i) principal or interest strips of U.S. treasury securities that mature on or prior to the Purchase Contract Settlement Date in an aggregate amount equal to the Applicable Principal Amount and (ii) with respect to each scheduled interest payment date on the Subordinated Notes that occurs after the Tax Event Redemption Date, principal or interest strips of U.S. treasury securities that mature on or prior to such date in an aggregate amount at maturity equal to the aggregate interest payment that would have been due on the Applicable Principal Amount of the Subordinated Notes on such date and (B) if the Tax Event Redemption Date occurs on or after the Purchase Contract Settlement Date, a portfolio of zero-coupon U.S. treasury securities consisting of (i) principal or interest strips of U.S. treasury securities that mature on or prior to May 15, 2006 in an aggregate amount equal to the Applicable Principal Amount and (ii) with respect to each scheduled interest payment date on the Subordinated Notes that occurs after the Tax Event Redemption Date, principal or interest strips of such U.S. treasury securities that mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would have been due on the Applicable Principal Amount of the Subordinated Notes on such date.

"Treasury Portfolio Purchase Price" shall mean the lowest

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aggregate price quoted by a Primary Treasury Dealer, to the Quotation Agent on the third Business Day preceding the Tax Event Redemption Date for the purchase of the Treasury Portfolio for settlement on the Tax Event Redemption Date.

"Treasury Regulations" shall mean the income tax regulations,

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including temporary and proposed regulations, promulgated under the Code by the United States Department of the Treasury, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Treasury Securities" shall mean zero-coupon U.S. Treasury

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Securities (CUSIP Number 912820BJ5) with a principal amount at maturity equal to \$1,000 and maturing on May 15, 2004.

"Trust" shall have the meaning specified in the Recitals hereto.

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"Trust Enforcement Event" in respect of the Securities shall mean

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that an Indenture Event of Default has occurred and is continuing in respect of the Subordinated Notes.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939,

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as amended from time to time, or any successor legislation and the rules and regulations of the Commission promulgated thereunder.

"Trustee" or "Trustees" shall mean each Person that has signed

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this Declaration as a trustee, so long as such Person continues in office in accordance with the terms hereof, and all other Persons that from time to time may be duly appointed,

qualified and serving as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

"United States Person" shall mean a United States person for  
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United States federal income tax purposes.

"Underwriters" shall have the meaning set forth in the  
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Underwriting Agreement.

"Underwriting Agreement" means the Terms Agreement dated as of  
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May 3, 2001 between the Company and the Underwriters named therein, which amends and incorporates by reference the Company's form of Underwriting Agreement for Debt Securities.

## ARTICLE 2: TRUST INDENTURE ACT

### SECTION 2.1 Trust Indenture Act; Application. -----

(a) This Declaration is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration and, to the extent applicable, shall be governed by such provisions.

(b) The Property Trustee shall be the only Trustee that is a trustee for the purposes of the Trust Indenture Act.

(c) If and to the extent that any provision of this Declaration conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties of the Trust Indenture Act shall control.

(d) The application of the Trust Indenture Act to this Declaration shall not affect the Trust's classification as a grantor trust for United States federal income tax purposes and shall not affect the nature of the Securities as equity securities representing undivided beneficial ownership interests in the assets of the Trust.

### SECTION 2.2 Lists of Holders of the Securities. -----

(a) Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide the Property Trustee a list of the names and addresses of the Holders of the Securities in such form as the Property Trustee may reasonably require ("List of Holders") (i) as of the record date relating to the payment of any Distribution, at least one Business Day prior to the date for payment of such Distribution, except while the Preferred Securities are represented by one or more Global Securities, and (ii) at any other time, within 30 days of receipt by the Trust of a written request from the Property Trustee for a List of Holders as of a date no more than 15 days before such List of Holders is provided to the Property Trustee. If at any time the List of Holders does not differ from the most recent List of Holders provided to the Property Trustee by the Sponsor and the Regular Trustees on behalf of the Trust, then neither the Sponsor nor the

Regular Trustees shall be obligated to deliver such List of Holders. The Property Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders provided to it or that it receives in its capacity as Paying Agent (if acting in such capacity); provided that the Property Trustee may destroy any List of Holders previously provided to it on receipt of a new List of Holders.

(b) The Property Trustee shall comply with its obligations under, and shall be entitled to the benefits of, Sections 311(a), 311(b) and 312(b) of the Trust Indenture Act.

SECTION 2.3 Reports by the Property Trustee. Within 60 days after  
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May 15 of each year (commencing with the year of the first anniversary of the issuance of the Preferred Securities), the Property Trustee shall provide to the Holders of the Preferred Securities such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Property Trustee also shall comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4 Periodic Reports to the Property Trustee. Each of the  
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Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as required by Section 314 of the Trust Indenture Act (if any) and the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.5 Evidence of Compliance with Conditions Precedent. Each  
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of the Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Declaration that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6 Trust Enforcement Events; Waiver.  
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(a) An Indenture Event of Default constitutes an event of default under this Declaration with respect to the Securities.

(b) The Holders of a Majority in Liquidation Amount of the Preferred Securities may waive, by vote or written consent, on behalf of the Holders of all of the Preferred Securities, any past Trust Enforcement Event in respect of the Preferred Securities and its consequences, provided that if the underlying Indenture Event of Default:

(i) is not waivable under the Indenture, then the Trust Enforcement Event under this Declaration also shall not be waivable; and

(ii) requires the vote or consent of the holders of greater than a majority in principal amount of the Subordinated Notes (a "Supermajority") to be

waived under the Indenture, the related Trust Enforcement Event under this Declaration only may be waived by the vote or written consent of the Holders of at least the same Supermajority in aggregate stated liquidation amount of the Preferred Securities outstanding.

The foregoing provisions of this Section 2.6(b) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act, and Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Upon such waiver, any such Trust Enforcement Event in respect of the Preferred Securities shall be deemed to have been cured for every purpose of this Declaration and the Preferred Securities, but no such waiver shall extend to any subsequent or other Trust Enforcement Event with respect to the Preferred Securities or impair any right consequent thereon. Any waiver by the Holders of the Preferred Securities of a Trust Enforcement Event with respect to the Preferred Securities also shall be deemed to constitute a waiver by the Holders of the Common Securities of any such Trust Enforcement Event with respect to the Common Securities for all purposes of this Declaration without any further act, vote or consent of the Holders of the Common Securities.

(c) The Holders of a Majority in Liquidation Amount of the Common Securities may waive, by vote or written consent, any past Trust Enforcement Event in respect of the Common Securities and its consequences, provided that if the underlying Indenture Event of Default is not waivable under the Indenture, then, except where the Holders of the Common Securities are deemed to have waived such Trust Enforcement as provided below in this Section 2.6(c), the related Trust Enforcement Event under this Declaration also shall not be waivable. The Holders of the Common Securities shall be deemed to have waived any and all Trust Enforcement Events in respect of the Common Securities and the consequences thereof until all Trust Enforcement Events in respect of the Preferred Securities shall have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events in respect of the Preferred Securities shall have been so cured, waived or otherwise eliminated, the Property Trustee shall be deemed to be acting solely on behalf of the Holders of the Preferred Securities, and only the Holders of the Preferred Securities shall have the right to direct the Property Trustee. The foregoing provisions of this Section 2.6(c) shall be in lieu of Sections 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act, and Sections 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act are hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Subject to the foregoing provisions of this Section 2.6(c), upon such cure, waiver or other elimination, any Trust Enforcement Event in respect of the Common Securities shall be deemed to have been cured for every purpose of this Declaration and the Common Securities, but no such waiver shall extend to any subsequent or other Trust Enforcement Event with respect to the Common Securities or impair any right consequent thereon.

(d) A waiver of an Indenture Event of Default under the Indenture by the Property Trustee at the direction of the Holders of the Preferred Securities shall constitute a

waiver of the corresponding Trust Enforcement Event under this Declaration. Any such waiver by the Holders of the Preferred Securities also shall be deemed to constitute a waiver by the Holders of the Common Securities of any such Trust Enforcement Event with respect to the Common Securities for all purposes of this Declaration without any further act, vote or consent of the Holders of the Common Securities. The foregoing provisions of this Section 2.6(d) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act, and Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act.

SECTION 2.7 Trust Enforcement Event; Notice.  
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(a) Within 90 days after the occurrence of a Trust Enforcement Event actually known to a Responsible Officer of the Property Trustee, the Property Trustee shall transmit by mail, first class postage prepaid, to the Holders of the Securities, notice of such Trust Enforcement Event, unless such Trust Enforcement Event has been cured before the giving of such notice, which notice shall specify the Indenture Event of Default giving rise to the Trust Enforcement Event and that the Indenture Event of Default also constitutes an event of default under this Declaration; provided that, except for a default in the payment of principal of (or premium, if any) or interest on any of the Subordinated Notes, the Property Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Property Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities.

(b) The Property Trustee shall not be deemed to have knowledge of any Trust Enforcement Event except for any default as to which the Property Trustee shall have received written notice or of which a Responsible Officer of the Property Trustee charged with the administration of this Declaration shall have actual knowledge.

ARTICLE 3: ORGANIZATION

SECTION 3.1 Name and Organization. The Trust hereby continued is  
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named "RC Trust I," as such name may be modified from time to time by the Regular Trustees following written notice to the Holders of the Securities. The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

SECTION 3.2 Office. The address of the principal office of the Trust  
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is 141 Spring Street, Lexington, Massachusetts 02421. On ten Business Days' written notice to the Holders of the Securities, the Regular Trustees may designate another principal office.

SECTION 3.3 Purpose. The exclusive purposes and functions of the  
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Trust are (a) to issue the Securities in exchange for the Subordinated Notes and (b) except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt, reinvest proceeds derived from investments, pledge any of its assets or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified as a grantor trust for United States federal income tax purposes.

By the acceptance of this Trust, none of the Trustees, the Sponsor, the Holders of the Preferred Securities or the Common Securities or the Beneficial Owners of the Preferred Securities will take any position that is contrary to the classification of the Trust as a grantor trust for United States federal income tax purposes.

SECTION 3.4 Authority.  
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(a) Subject to the limitations provided in this Declaration and to the specific duties of the Property Trustee, the Regular Trustees shall have exclusive authority to carry out the purposes of the Trust. Any action taken by the Regular Trustees in accordance with their powers shall constitute the act of and shall serve to bind the Trust, and any action taken by the Property Trustee in accordance with its powers shall constitute the act of and shall serve to bind the Trust. In dealing with the Trustees acting on behalf of the Trust, no Person shall be required to inquire into the authority of the Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Trustees as set forth in this Declaration.

(b) Except as expressly set forth in this Declaration and except if a meeting of the Regular Trustees is called with respect to any matter over which the Regular Trustees have power to act, any power of the Regular Trustees may be exercised by or with the consent of any one such Regular Trustee.

(c) Except as otherwise required by applicable law, any Regular Trustee may delegate to any other natural person over the age of 21 that is a United States Person, by power of attorney consistent with applicable law, his or her power for the purposes of signing any documents that the Regular Trustees have power and authority to cause the Trust to execute pursuant to Section 3.6.

SECTION 3.5 Title to Property of the Trust. Except as provided in  
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Section 3.8 with respect to the Subordinated Notes and the Property Account or as otherwise provided in this Declaration, legal title to all assets of the Trust shall be vested in the Trust. The Holders of the Securities shall not have legal title to any part of the assets of the Trust but shall have undivided beneficial ownership interests in the assets of the Trust.

SECTION 3.6 Powers and Duties of the Regular Trustees. The Regular  
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Trustees shall have the exclusive power, duty and authority to cause the Trust to engage in the following activities:

(a) to issue the Securities in exchange for the Subordinated Notes in accordance with this Declaration (including, without limitation, to execute, deliver and perform the Purchase and Subscription Agreement, to be dated as of May 9, 2001, between the Company and the Trust); provided that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities; provided, further, that there shall be no interests in the Trust other than the Securities, and the issuance of the Securities shall be limited to a one-time, simultaneous issuance of both Preferred Securities and Common Securities on the Closing Date, subject to the

issuance of additional Securities pursuant to the exercise of any Over-allotment Option; and provided, further, that the Regular Trustees shall cause legal title to the Subordinated Notes to be held of record in the name of the Property Trustee for the benefit of the Holders of the Securities;

(b) to give the Sponsor and the Property Trustee prompt written notice of the occurrence of a Tax Event; provided that the Regular Trustees shall consult with the Sponsor and the Property Trustee before taking or refraining from taking any action in relation to any such Tax Event;

(c) to establish a record date with respect to all actions to be taken hereunder that require a record date to be established, including and with respect to, for the purposes of Section 316(c) of the Trust Indenture Act, Distributions, voting rights, redemptions and exchanges, and to issue relevant notices to the Holders of the Securities as to such actions and applicable record dates;

(d) to take all actions and perform such duties as may be required of the Regular Trustees pursuant to the terms of this Declaration and the Securities;

(e) to bring or defend, pay, collect, compromise, arbitrate, resort to legal action or otherwise adjust claims or demands of or against the Trust ("Legal Action"), unless pursuant to Section 3.8(e), the Property Trustee has the exclusive power to bring such Legal Action;

(f) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants to conduct only those services that the Regular Trustees have authority to conduct directly, and to pay reasonable compensation for such services, provided that any Person so employed or engaged is a United States Person;

(g) to cause the Trust to comply with the Trust's obligations under the Trust Indenture Act;

(h) to give to the Property Trustee the certificate required by Section 314(a)(4) of the Trust Indenture Act, which certificate may be executed by any Regular Trustee;

(i) to incur expenses that are necessary or incidental to carry out any of the purposes of the Trust;

(j) to act as, or appoint another Person to act as, registrar and transfer agent for the Securities;

(k) to take all action that may be necessary or appropriate for the preservation and continuation of the Trust's valid existence, rights, franchises and privileges as a statutory business trust under the laws of the State of Delaware and of each other jurisdiction in which such existence is necessary to protect the limited liability



of the Holders of the Securities or to enable the Trust to effect the purposes for which it was created;

(l) to take any action not inconsistent with applicable law, this Declaration, the Certificate of Trust or the amended and restated certificate of incorporation of the Company that the Regular Trustees determine in their discretion to be necessary or desirable in carrying out the purposes and functions of the Trust as set forth in Section 3.3 or the activities of the Trust as set forth in this Section 3.6, including:

(i) causing the Trust not to be deemed to be an Investment Company required to be registered under the Investment Company Act;

(ii) causing the Trust to be classified as a grantor trust for United States federal income tax purposes; and

(iii) cooperating with the Subordinated Notes Issuer to ensure that the Subordinated Notes will be treated as indebtedness of the Subordinated Notes Issuer for United States federal income tax purposes;

(m) to take all action necessary to cause all applicable tax returns and tax information reports that are required to be filed with respect to the Trust to be duly prepared and filed;

(n) to prepare, execute and file a certificate of cancellation of the Certificate of Trust of the Trust, if at all, pursuant to Section 8.1(b);

(o) in connection with the issuance of the Preferred Securities, to execute, deliver and perform the Depositary Agreement on behalf of the Trust;

(p) if and to the extent that the Sponsor on behalf of the Trust has not already done so, to cause the Trust to enter into such other agreements and arrangements as may be necessary or desirable in connection with the sale of the Preferred Securities to the Underwriters and the consummation thereof, and to take all action, and exercise all discretion, as may be necessary or desirable in connection with the consummation thereof; and

(q) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

The Regular Trustees shall exercise the powers set forth in this Section 3.6 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Regular Trustees shall have no power to, and shall not, take any action that is inconsistent with the purposes and functions of the Trust set forth in Section 3.3.

Subject to this Section 3.6, the Regular Trustees shall have none of the powers or the authority of the Property Trustee set forth in Section 3.8.

Any expenses incurred by the Regular Trustees pursuant to this Section 3.6 shall be reimbursed by the Subordinated Notes Issuer.

SECTION 3.7 Prohibition of Actions by the Trust and the Trustees.  
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(a) The Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to, engage in any activity other than as required or authorized by this Declaration. In particular, the Trust shall not and the Trustees (including the Property Trustee) shall cause the Trust not to:

(i) invest any proceeds received by the Trust in connection with its ownership of the Subordinated Notes, but shall cause the Trust to distribute all such proceeds to the Holders of the Securities pursuant to the terms of this Declaration and of the Securities;

(ii) acquire any assets other than as expressly provided herein;

(iii) possess property for any purpose other than a Trust purpose;

(iv) make any loans or incur any indebtedness;

(v) possess any power or otherwise act in such a way as to vary the Trust's assets;

(vi) possess any power or otherwise act in such a way as to vary the terms of the Securities in any way whatsoever (except to the extent expressly authorized in this Declaration or by the terms of the Securities);

(vii) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Securities;

(viii) other than as provided in this Declaration or by the terms of the Securities, (A) direct the time, method and place of exercising any trust or power conferred upon the Indenture Trustee with respect to the Subordinated Notes, (B) waive any past default that is waivable under the Indenture, (C) exercise any right to rescind or annul any declaration that the principal of all the Subordinated Notes shall be due and payable or (D) consent to any amendment, modification or termination of the Indenture or the Subordinated Notes where such consent is required, unless the Trust has received an opinion of counsel to the effect that such modification will not cause more than an insubstantial risk that the Trust will not be classified as a grantor trust for United States federal income tax purposes;

(ix) take any action inconsistent with the status of the Trust as grantor trust for United States federal income tax purposes;

(x) revoke any action previously authorized or approved by vote of the Holders of the Preferred Securities; or

(xi) after the date hereof, enter into any contract or agreement (other than any depositary agreement or any agreement with any securities exchange or automated quotation system) that does not expressly provide that the Holders of Preferred Securities, in their capacities as such, have limited liability (in accordance with the provisions of the Business Trust Act) for the liabilities and obligations of the Trust, which express provision shall be in substantially the following form:

The Holders of the Preferred Securities, in their capacities as such, shall not be personally liable for any liabilities or obligations of the Trust arising out of this Agreement, and the parties hereto hereby agree that the Holders of the Preferred Securities, in their capacities as such, shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

SECTION 3.8 Powers and Duties of the Property Trustee.  
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(a) The legal title to the Subordinated Notes shall be owned by and held of record in the name of the Property Trustee in trust for the benefit of the Trust and the Holders of the Securities. The right, title and interest of the Property Trustee to the Subordinated Notes shall vest automatically in each Person that hereafter may be appointed as Property Trustee in accordance with Section 6.6. To the fullest extent permitted by law, such vesting and cessation of title shall be effective whether or not conveyancing documents with regard to the Subordinated Notes have been executed and delivered.

(b) The Property Trustee shall not transfer its right, title and interest in the Subordinated Notes to the Regular Trustees nor to the Delaware Trustee (if the Property Trustee does not also act as Delaware Trustee).

(c) The Property Trustee shall:

(i) establish and maintain the Property Account in the name of and under the exclusive control of the Property Trustee on behalf of the Holders of the Securities and, upon the receipt of payments of funds made in respect of the Subordinated Notes, deposit such funds into the Property Account and make payments to the Holders of the Securities from the Property Account in accordance with Section 7.2 (funds in the Property Account to be held uninvested until disbursed in accordance with this Declaration);

(ii) engage in such ministerial activities as shall be necessary or appropriate to effect the redemption of the Securities to the extent the Subordinated Notes are redeemed or mature; and

(iii) upon written direction by the Sponsor to dissolve the Trust, to engage in such ministerial activities as shall be necessary or appropriate to effect the distribution of the Subordinated Notes to the Holders of the Securities in exchange for the Securities.

(d) The Property Trustee shall take all actions and perform such duties as may be specifically required of the Property Trustee pursuant to the terms of this Declaration and the Securities.

(e) The Property Trustee shall take any Legal Action that arises out of or in connection with (i) a Trust Enforcement Event of which a Responsible Officer of the Property Trustee has actual knowledge or (ii) the Property Trustee's duties and obligations under this Declaration or the Trust Indenture Act; provided that if a Trust Enforcement Event has occurred and is continuing and such event is attributable to the failure of the Subordinated Notes Issuer to pay interest or principal on the Subordinated Notes on the date such interest or principal is otherwise payable, then a Holder of Preferred Securities may institute a proceeding directly against the Subordinated Notes Issuer to enforce payment to such Holder of the principal or interest on Subordinated Notes having an aggregate principal amount equal to the aggregate liquidation amount of the Preferred Securities of such Holder (a "Direct Action"); provided, further, if the Property Trustee fails to enforce its rights under the Subordinated Notes in respect of an Indenture Event of Default after a Holder of record of Preferred Securities has made a written request that the Property Trustee so enforce its rights, such Holder of Preferred Securities may, to the fullest extent permitted by applicable law, institute a legal proceeding directly against the Subordinated Notes Issuer to enforce the rights of the Property Trustee under the Indenture without first proceeding against the Property Trustee or any other person or entity.

(f) The Property Trustee shall continue to serve as a Trustee until either:

(i) the Trust has been completely liquidated and the proceeds of the liquidation have been distributed to the Holders of the Securities pursuant to the terms of the Securities; or

(ii) a Successor Property Trustee has been appointed and has accepted that appointment in accordance with Section 6.6.

(g) The Property Trustee shall have the legal power to exercise all of the rights, powers and privileges of a holder of Subordinated Notes under the Indenture (including, without limitation, the right, as sole holder of the Subordinated Notes, to declare the principal of and interest on the Subordinated Notes, to be immediately due and payable, pursuant to the terms of the Indenture) and if a Trust Enforcement Event actually known to a Responsible Officer of the Property Trustee occurs and is continuing, the Property Trustee shall enforce, for the benefit of Holders of the Securities, its rights as holder of the Subordinated Notes subject to the rights of the Holders of the Securities pursuant to the terms of the Securities.

(h) The Property Trustee may authorize one or more Persons (each, a "Paying Agent") to pay Distributions, redemption payments or liquidation payments on behalf of the Trust with respect to all Securities, and any such Paying Agent shall comply with Section 317(b) of the Trust Indenture Act. Any Paying Agent may be removed by the Property Trustee at any time, and a successor Paying Agent or additional Paying Agents may be appointed at any time by the Property Trustee.

(i) Subject to this Section 3.8, the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Regular Trustees set forth in Section 3.6.

The Property Trustee shall exercise the powers set forth in this Section 3.8 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Property Trustee shall have no power to, and shall not, take any action that is inconsistent with the purposes and functions of the Trust set out in Section 3.3.

SECTION 3.9 Certain Duties and Responsibilities of the Property

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Trustee.  
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(a) The Property Trustee, before the occurrence of any Trust Enforcement Event and after the cure or waiver of all Trust Enforcement Events that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Declaration, and no implied covenants shall be read into this Declaration against the Property Trustee. If a Trust Enforcement Event has occurred (that has not been cured or waived pursuant to Section 2.6) of which a Responsible Officer of the Property Trustee has actual knowledge, the Property Trustee shall exercise such of the rights and powers vested in it by this Declaration and shall 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 his or her own affairs.

(b) No provision of this Declaration shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of a Trust Enforcement Event and after the cure or waiver of all such Trust Enforcement Events that may have occurred:

- (A) the duties and obligations of the Property Trustee shall be determined solely by the express provisions of this Declaration, and the Property Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Declaration, and no implied covenants or obligations shall be read into this Declaration against the Property Trustee; and
- (B) in the absence of bad faith on the part of the Property Trustee, the Property Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed

therein, upon any certificates or opinions furnished to the Property Trustee and conforming to the requirements of this Declaration; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Property Trustee, the Property Trustee shall be under a duty to examine such certificates or opinions to determine whether or not they conform to the requirements of this Declaration;

(ii) the Property Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Property Trustee, unless it has been proven that the Property Trustee was negligent in ascertaining the pertinent facts;

(iii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it without negligence, in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration;

(iv) no provision of this Declaration shall require the Property Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Declaration or indemnity reasonably satisfactory to the Property Trustee against such risk or liability is not reasonably assured to it;

(v) the Property Trustee's sole duty with respect to the custody, safe-keeping and physical preservation of the Subordinated Notes and the Property Account shall be to deal with such property in a similar manner as the Property Trustee deals with similar property for its own account, subject to the protections and limitations on liability afforded to the Property Trustee under this Declaration and the Trust Indenture Act;

(vi) the Property Trustee shall have no duty or liability for or with respect to the value, genuineness, existence or sufficiency of the Subordinated Notes or the payment of any taxes or assessments levied thereon or in connection therewith;

(vii) the Property Trustee shall not be liable for any interest on any money received by it except as it otherwise may agree with the Sponsor, and money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Property Account maintained by the Property Trustee pursuant to Section 3.8(c)(i) and except to the extent otherwise required by law; and

(viii) the Property Trustee shall not be responsible for monitoring the compliance by the Regular Trustees or the Sponsor with their respective duties under this Declaration, nor shall the Property Trustee be liable for any default or misconduct of the Regular Trustees or the Sponsor.

SECTION 3.10 Certain Rights of Property Trustee.  
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(a) Subject to the provisions of Section 3.9:

(i) The Property 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, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Sponsor contemplated by this Declaration shall be sufficiently evidenced by an Officers' Certificate.

(iii) Whenever in the administration of this Declaration, the Property Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may request, in the absence of bad faith on its part, and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Sponsor.

(iv) The Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or securities laws) or any re-recording, refiling or registration thereof.

(v) The Property Trustee may consult with counsel of its choice or other experts, and the advice or opinion of such counsel and experts with respect to legal matters or advice within the scope of such experts' area of expertise shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion. Such counsel may be counsel to the Sponsor or any of its Affiliates and may include any of its employees. The Property Trustee shall have the right at any time to seek instructions concerning the administration of this Declaration from any court of competent jurisdiction.

(vi) The Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Declaration at the request or direction of any Holder of Securities, unless such Holder of Securities has provided to the Property Trustee security and indemnity, reasonably satisfactory to the Property Trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the Property Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction,

including such reasonable advances as may be requested by the Property Trustee; provided that nothing contained in this Section 3.10(a) shall be taken to relieve the Property Trustee, upon the occurrence of an Indenture Event of Default, of its obligation to exercise the rights and powers vested in it by this Declaration.

(vii) The Property 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 Property Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it sees fit.

(viii) The Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians, nominees or attorneys, provided that any such action (other than ministerial action) executed or performed by such agent or attorney is executed or performed by an agent or an attorney that is a United States Person, and the Property Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(ix) Any action taken by the Property Trustee or its agents hereunder shall bind the Trust and the Holders of the Securities, and the signature of the Property Trustee or its agents alone shall be sufficient and effective to perform any such action, and no third party shall be required to inquire as to the authority of the Property Trustee to so act or as to its compliance with any of the terms and provisions of this Declaration, both of which shall be evidenced conclusively by the Property Trustee's or its agent's taking such action.

(x) Whenever in the administration of this Declaration the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (A) may request instructions from the Holders of the Securities, which instructions only may be given by the Holders of the same proportion in liquidation amount of the Securities as would be entitled to direct the Property Trustee under this Declaration in respect of such remedy, right or action, (B) may refrain from enforcing such remedy or right or taking such other action until such instructions are received and (C) shall be protected in conclusively relying on or acting in accordance with such instructions.

(xi) Except as otherwise expressly provided by this Declaration, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Declaration.

(xii) The Property Trustee shall not be liable for any action taken, suffered or omitted to be taken by it without negligence, in good faith and reasonably believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Declaration.



(b) No provision of this Declaration shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it, in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts, or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

SECTION 3.11 Delaware Trustee. Notwithstanding any other provision

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of this Declaration other than Section 6.2, the Delaware Trustee shall not be entitled to exercise any powers of, nor shall the Delaware Trustee have any of the duties and responsibilities of, the Regular Trustees or the Property Trustee described in this Declaration. Except as set forth in Section 6.2, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Business Trust Act and shall be a United States Person.

SECTION 3.12 Execution of Documents. Except as otherwise required by

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applicable law, any Regular Trustee is authorized to execute on behalf of the Trust any documents that the Regular Trustees have the power and authority to execute pursuant to Section 3.6.

SECTION 3.13 Not Responsible for Recitals or Issuance of Securities.

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The recitals contained in this Declaration and the Securities shall be taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration, the Securities, the Subordinated Notes or the Indenture.

SECTION 3.14 Duration of Trust. The Trust shall exist until

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dissolved pursuant to the provisions of Article 8 hereof.

SECTION 3.15 Mergers.

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(a) The Trust may not consolidate with, amalgamate or merge with or into, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any Person, except as described in Section 3.15(b) and (c).

(b) At the request of the Sponsor and with the consent of the Regular Trustees or, if there are more than two, a majority of the Regular Trustees and without the consent of the Holders of the Preferred Securities, the Delaware Trustee or the Property Trustee, the Trust may consolidate with, amalgamate or merge with or into, be replaced by or convey, transfer or lease its properties substantially as an entirety to a trust organized as such under the laws of any state; provided that:

(i) if the Trust is not the successor entity, such successor entity (the "Successor Entity") either:

(A) expressly assumes all of the obligations of the Trust with respect to the Securities; or

(B) substitutes for the Securities other securities having substantially the same terms as the Securities (the "Successor Securities"), so long as such Successor Securities rank the same as the Securities with respect to Distributions and payments upon liquidation, redemption and otherwise;

(ii) the Subordinated Notes Issuer expressly appoints a trustee of such Successor Entity that possesses the same powers and duties as the Property Trustee as the holder of the Subordinated Notes;

(iii) the Preferred Securities or any Successor Securities are or, upon notification of issuance will be, listed on any national securities exchange or with any other organization on which the Preferred Securities are then listed or quoted;

(iv) such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease does not cause the Preferred Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization;

(v) such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect other than with respect to any dilution of the Holders' interest in the new entity;

(vi) such Successor Entity has a purpose substantially identical to that of the Trust;

(vii) prior to such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease, the Sponsor has received an opinion of nationally recognized independent counsel to the Trust experienced in such matters to the effect that:

(A) such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the Holders of the Securities (including any Successor Securities) in any material respect other than with respect to any dilution of the Holders' interest in the new entity;

(B) following such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease, neither the Trust nor such Successor Entity will be required to register as an Investment Company under the Investment Company Act; and

(C) following such consolidation, amalgamation or merger, replacement, conveyance, transfer or lease, the Trust (or such Successor Entity) will continue to be classified as a grantor trust for United States federal income tax purposes;

(viii) the Sponsor or any permitted successor or assignee owns all of the common securities of such Successor Entity and guarantees the obligations of such Successor Entity under the Successor Securities, at least to the extent provided by the Guarantee; and

(ix) such Successor Entity expressly assumes all of the obligations of the Trust.

(c) Notwithstanding Section 3.15(b), the Trust shall not, except with the consent of Holders of 100% in aggregate liquidation amount of the Securities, consolidate with, amalgamate or merge with or into, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to, any other entity or permit any other entity to consolidate with, amalgamate, merge with or into, or replace it, if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or any successor Entity to be classified as other than a grantor trust for United States federal income tax purposes or would cause any Holder of Securities not to be treated as owning an undivided beneficial ownership interest in the Subordinated Notes.

SECTION 3.16 Property Trustee May File Proofs of Claim. In case of

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the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Trust or any other obligor upon the Securities or the property of the Trust or of such other obligor or their creditors, the Property Trustee (irrespective of whether any Distributions on the Securities are then due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Property Trustee has made any demand on the Trust for the payment of any past due Distributions) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of any Distributions owing and unpaid in respect of the Securities (or, if the Securities are original issue discount securities, such portion of the liquidation amount as may be specified in the terms of such securities) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Property Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel) and of the Holders of the Securities allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on 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 of Securities to make such payments to the Property Trustee and, in the event the Property Trustee consents to the making of such payments directly to the Holders, to pay to the Property Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel, and any other amounts due the Property Trustee.

Nothing herein contained shall be deemed to authorize the Property Trustee to authorize or consent to or accept or adopt, on behalf of any Holder of Securities, any plan of reorganization, arrangement, adjustment or compensation affecting the Securities or the rights of any Holder thereof or to authorize the Property Trustee to vote in respect of the claim of any Holder of Securities in any such proceeding.

SECTION 3.17 Registration Statement and Related Matters. In

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accordance with the Original Declaration, the Sponsor was authorized, and any of the following actions taken in connection herewith are hereby ratified in all respects, (a) to prepare and file with the Commission and execute, in each case on behalf of the Trust, (i) a Registration Statement on Form S-3 (File Nos. 333-58474, 333-58474-01 and 333-58474-02) or on such other form or forms as may be appropriate, including without limitation any registration statement of the type counterdated by Rule 462(b) under the Securities Act (any such registration statements, whether on Form S-3, another form or under Rule 462(b) being referred to as the "Securities Act Registration Statement"), including any pre-effective or post-effective amendments thereto, relating to the registration under the Securities Act of the Preferred Securities and certain other securities of the Sponsor and (ii) if the Sponsor deemed it desirable, a Registration Statement on Form 8-A (the "Exchange Act Registration Statement"), including all pre-effective and post-effective amendments thereto, relating to the registration of the Preferred Securities under Section 12 of the Exchange Act; (b) if the Sponsor deemed it desirable, to prepare and file with New York Stock Exchange, Inc. or any other automated quotation system, exchange or over-the-counter market (collectively, the "Exchanges") and execute on behalf of the Trust a listing application or applications and all other applications, statements, certificates, agreements and other instruments as shall be necessary or desirable to cause the Preferred Securities to be listed on any Exchange; (c) to prepare and file and execute on behalf of the Trust such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as the Sponsor, on behalf of the Trust, deemed necessary or desirable to register the Preferred Securities under the securities or "Blue Sky" laws of such jurisdictions as the Sponsor, on behalf of the Trust, deemed necessary or desirable; (d) to execute and deliver on behalf of the Trust letters or documents to, or instruments for filing with, the Clearing Agency relating to the Preferred Securities; and (e) to take any and all other action that was or is intended to be done and all related actions. In the event that any filing referred to in clauses (a)-(c) above is required by the rules and regulations of the Commission, any Exchange, the National Association of Securities Dealers, Inc. or state securities or "Blue Sky" laws, to be executed on behalf of the Trust by the Regular Trustees, the Regular Trustees, in their capacities as Trustee of the Trust,

are hereby authorized to join in any such filing and to execute on behalf of the Trust any and all of the foregoing.

ARTICLE 4: THE SPONSOR

SECTION 4.1 Responsibilities of the Sponsor. In connection with the

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sale and issuance of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) to prepare, execute and file with the Commission, on behalf of the Trust, a registration statement on Form S-3 in relation to the Preferred Securities, including any amendments or supplements thereto, and to take any other action relating to the registration and sale of the Preferred Securities under federal and state securities laws;

(b) if necessary, to determine the states in which to take appropriate action to qualify or register for sale all or part of the Equity Security Units and to do any and all such acts, other than actions that must be taken by the Trust, and advise the Trust of actions it must take; to prepare, execute and file, on behalf of the Trust, any documents it deems necessary or advisable in order to comply with the applicable laws of any such states; and to prepare, execute and file, on behalf of the Trust, any such documents or take any acts determined by it to be necessary in order to qualify or register all or part of the Equity Security Units in any state in which it has determined to qualify or register such Equity Security Units for sale;

(c) if necessary, to prepare, execute and file on behalf of the Trust, an application to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing upon notice of issuance of any Preferred Securities;

(d) if necessary, to prepare, execute and file with the Commission, on behalf of the Trust, a registration statement on Form 8-A relating to the registration of the Preferred Securities under Section 12(b) of the Exchange Act, including any amendments thereto; and

(e) to negotiate the terms of, and execute and enter into, an Underwriting Agreement providing for the sale of the Equity Security Units and a Remarketing Agreement providing for the Remarketing.

SECTION 4.2 Indemnification and Expenses of the Trustees. To the

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fullest extent permitted by law, the Subordinated Notes Issuer agrees to indemnify the Regular Trustees, the Property Trustee and the Delaware Trustee for, and to hold each of them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Regular Trustees, the Property Trustee or the Delaware Trustee, as the case may be, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending either of them against any claim or liability in connection with the exercise or performance of any of their respective powers or duties hereunder. The provisions of this Section 4.2 shall

survive the resignation or removal of the Regular Trustees, the Delaware Trustee or the Property Trustee and the termination of this Declaration.

ARTICLE 5: THE HOLDER OF THE COMMON SECURITIES

SECTION 5.1 Subordinated Notes Issuer's Acquisition of the Common

Securities. On the First Delivery Date, the Subordinated Notes Issuer shall

acquire all of the Common Securities issued by the Trust, in an aggregate liquidation amount equal to at least three percent of the total capital of the Trust, at such time as the Preferred Securities are sold and issued. If any additional Preferred Securities are issued pursuant to the exercise of any Over-allotment Option, then the Subordinated Notes Issuer shall purchase, on the Second Delivery Date, an amount of additional Common Securities such that the aggregate liquidation amount of the Common Securities held by the Subordinated Notes Issuer, upon such purchase, will equal at least three percent of the total capital of the Trust.

The aggregate stated liquidation amount of the Common Securities outstanding at any time shall not be less than three percent of the total capital of the Trust.

SECTION 5.2 Covenants of the Subordinated Notes Issuer. For so long

as the Preferred Securities remain outstanding, the Subordinated Notes Issuer shall covenant:

(i) to maintain, directly or indirectly, 100% ownership of the Common Securities;

(ii) to cause the Trust to remain a Delaware statutory business trust and not to voluntarily dissolve, wind up, liquidate or be terminated, except as permitted by this Declaration;

(iii) to use its commercially reasonable efforts to ensure that the Trust will not be an Investment Company required to be registered under the Investment Company Act; and

(iv) not to take any action that would be reasonably likely to cause the Trust to be classified as an association or a publicly traded partnership taxable as a corporation for United States federal income tax purposes.

SECTION 5.3 Holder of the Common Securities. Each Holder of the

Common Securities shall at all times hold the Common Securities in its individual capacity on its own behalf and shall not, in its capacity as a Holder of the Common Securities, be under (or subject to) the control or direction of any Foreign Person (pursuant to a contractual arrangement or otherwise) other than by virtue of such Foreign Person's direct or indirect stock ownership, if any, of the Holder of Common Securities. Notwithstanding anything in this Declaration to the contrary, each Holder of the Common Securities shall at all times be a United States Person and shall be authorized to

give any direction hereunder with respect to the Trust as shall be necessary for the Trust not to be considered a foreign trust for United States Federal income tax purposes.

ARTICLE 6: THE TRUSTEES

SECTION 6.1 Number of Trustees. The number of Trustees initially

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shall be five, and:

(a) at any time before the issuance of any Securities, the Sponsor may increase or decrease the number of Trustees by written instrument; and

(b) after the issuance of any Securities, the number of Trustees may be increased or decreased by vote of the Holders of a Majority in Liquidation Amount of the Common Securities at a meeting of the Holders of the Common Securities or by written consent without prior notice in lieu of such meeting;

provided that the number of Trustees shall be at least three; and provided, further, that: (i) the Delaware Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or, if not a natural person, shall be an entity that has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law; (ii) at least a majority of the Regular Trustees shall be employees or officers of, or are affiliates of, the Sponsor; (iii) one Trustee shall be the Property Trustee, which, for so long as this Declaration is required to qualify as an indenture under the Trust Indenture Act, shall meet the requirements of applicable law, provided that such Property Trustee also may serve as Delaware Trustee if it meets the applicable requirements; (iv) each Trustee shall be a United States Person; and (v) each Trustee, or any delegee of, any Trustee, shall at all times act as Trustee in its individual capacity on its own behalf and will not, at any time, in its capacity as Trustee, be under (or subject to) the control or direction of any Foreign Person (pursuant to a contractual arrangement or otherwise).

SECTION 6.2 Delaware Trustee; Eligibility. If required by the

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Business Trust Act, one Trustee (which may be the Property Trustee) (the "Delaware Trustee") shall be:

(a) a natural person who is a resident of the State of Delaware; or

(b) if not a natural person, an entity that has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, provided that if the Property Trustee has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, then the Property Trustee also shall be the Delaware Trustee and Section 3.11 shall have no application.

SECTION 6.3 Property Trustee; Eligibility.

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(a) There shall be at all times one Trustee (which may be the Delaware Trustee) that shall act as Property Trustee. Such Property Trustee shall:

(i) not be an Affiliate of the Sponsor; and

(ii) be a corporation that is a United States Person organized and doing business under the laws of the United States of America or any state or territory thereof or of the District of Columbia, or a corporation or other Person that is a United States Person permitted by the Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least fifty million U.S. dollars (\$50,000,000) and subject to supervision or examination by federal, state, territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purpose of this Section 6.3(a)(ii), 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.

(b) If at any time the Property Trustee shall cease to be eligible to so act under Section 6.3(a), the Property Trustee immediately shall resign in the manner and with the effect set forth in Section 6.6(c).

(c) If the Property Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Property Trustee and the Holders of the Common Securities (as if it were the obligor referred to in Section 310(b) of the Trust Indenture Act) shall comply in all respects with the provisions of Section 310(b) of the Trust Indenture Act.

(d) The Guarantee shall be deemed to be specifically described in this Declaration for purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

SECTION 6.4 Qualifications of the Regular Trustees Generally. Each

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Regular Trustee shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more Authorized Officers.

SECTION 6.5 Initial Regular Trustees. The initial Regular Trustees

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shall be Richard A. Goglia, Franklyn A. Caine, and Thomas D. Hyde, the business address of all of whom is in care of Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02421.

SECTION 6.6 Appointment, Removal and Resignation of the Trustees.

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(a) Subject to Sections 6.6(b) and 7.5(k), the Trustees may be appointed or removed without cause at any time:

(i) until the issuance of any Securities, by written instrument executed by the Sponsor; and



(ii) after the issuance of any Securities, by a vote of the Holders of a Majority in Liquidation Amount of the Common Securities at a meeting of the Holders of the Common Securities or by written consent without prior notice in lieu of such meeting.

(b) The Property Trustee shall not be removed in accordance with Section 6.6(a) or Section 7.5(k) until a successor Trustee possessing the qualifications to act as Property Trustee under Section 6.3(a) (a "Successor Property Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Regular Trustees and the Sponsor. The Delaware Trustee shall not be removed in accordance with Section 6.6(a) or Section 7.5(k) until a successor Trustee possessing the qualifications to act as Delaware Trustee under Sections 6.2 and 6.4 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Regular Trustees and the Sponsor.

(c) A Trustee appointed to office shall hold office until a successor has been appointed, until death or dissolution or until removal or resignation. Any Trustee may resign from office (without need for prior or subsequent accounting) by written instrument executed by such Trustee and delivered to the Sponsor and the other Trustees, which resignation shall take effect upon such delivery or upon such later date as is specified therein; provided that:

(i) no such resignation of the Property Trustee shall be effective:

- (A) until a Successor Property Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Regular Trustees, the Sponsor and the resigning Property Trustee; or
- (B) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the Holders of the Securities; and

(ii) no such resignation of the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Regular Trustees, the Sponsor and the resigning Delaware Trustee.

(d) The Holders of the Common Securities shall use their best efforts to promptly appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be, if the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with this Section 6.6.

(e) If no Successor Property Trustee or Successor Delaware Trustee, as the case may be, has been appointed and accepted appointment as provided in this

Section 6.6 within 60 days after delivery of an instrument of resignation or removal, the resigning or removed Property Trustee or Delaware Trustee, as applicable, may petition any court of competent jurisdiction at the expense of the Sponsor for appointment of a Successor Property Trustee or Successor Delaware Trustee, as applicable. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.

(f) No Property Trustee or Delaware Trustee shall be liable for the acts or omissions to act of any Successor Property Trustee or Successor Delaware Trustee, as the case may be.

SECTION 6.7 Vacancies among Trustees. If a Trustee ceases to hold  
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office for any reason and the number of Trustees is not reduced pursuant to Section 6.1, or if the number of Trustees is increased pursuant to Section 6.1, a vacancy shall occur. A resolution certifying the existence of such vacancy by the Regular Trustees or, if there are more than two, a majority of the Regular Trustees shall be conclusive evidence of the existence of such vacancy. The vacancy shall be filled with a Trustee appointed in accordance with Section 6.6.

SECTION 6.8 Effect of Vacancies. The death, resignation, retirement,  
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removal, bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of a Trustee shall not operate to annul, dissolve or terminate the Trust nor to terminate this Declaration. Whenever a vacancy in the number of Regular Trustees shall occur until such vacancy is filled by the appointment of a Regular Trustee in accordance with Section 6.6, the Regular Trustees in office, regardless of their number, shall have all the powers granted to the Regular Trustees and shall discharge all the duties imposed upon the Regular Trustees by this Declaration.

SECTION 6.9 Meetings. If there is more than one Regular Trustee,  
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meetings of the Regular Trustees shall be held from time to time upon the call of any Regular Trustee. Regular meetings of the Regular Trustees may be held at a time and place fixed by resolution of the Regular Trustees. Notice of any in-person meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 48 hours before such meeting. Notice of any telephonic meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before a meeting. Notices shall contain a brief statement of the time, place and anticipated purposes of the meeting. The presence (whether in person or by telephone) of a Regular Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Regular Trustee attends a meeting for the express purpose of objecting to the transaction of any activity on the ground that the meeting has not been lawfully called or convened. Unless provided otherwise in this Declaration, any action of the Regular Trustees may be taken at a meeting by vote of a majority of the Regular Trustees present (whether in person or by telephone) and eligible to vote with respect to such matter, provided a Quorum is present, or without a meeting and without prior notice by the unanimous written consent of the Regular Trustees. In

the event there is only one Regular Trustee, any and all action of such Regular Trustee shall be evidenced by a written consent of such Regular Trustee.

SECTION 6.10 Delegation of Power by the Regular Trustees.  
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(a) Except as otherwise required by applicable law, any Regular Trustee may delegate to any other natural person over the age of 21 that is a United States Person, by power of attorney consistent with applicable law, his or her power for the purposes of signing any documents that the Regular Trustees have power and authority to cause the Trust to execute pursuant to Section 3.6.

(b) The Regular Trustees shall have the power to delegate from time to time to such of their number or to officers of the Trust or any other Person the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Regular Trustees or otherwise as the Regular Trustees may deem expedient, to the extent such delegation is not prohibited by applicable law or contrary to the provisions of the Trust, as set forth herein.

SECTION 6.11 Merger, Consolidation, Conversion or Succession to  
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Business. Any entity into which the Property Trustee, the Delaware Trustee or  
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any Regular Trustee that is not a natural person may be merged or converted or with which such Trustee may be consolidated, or any entity resulting from any merger, conversion or consolidation to which such Trustee is a party, or any entity succeeding to all or substantially all the corporate trust business of such Trustee, shall be the successor of such Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such entity otherwise is qualified and eligible under this Article.

ARTICLE 7: TERMS OF THE SECURITIES

SECTION 7.1 General Provisions Regarding the Securities.  
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(a) The Regular Trustees shall issue, on behalf of the Trust, one class of preferred securities representing undivided beneficial ownership interests in the assets of the Trust (the "Preferred Securities") and one class of common securities representing undivided beneficial ownership interests in the assets of the Trust (the "Common Securities"). The Trust shall not issue any securities other than the Preferred Securities and the Common Securities, nor shall the Trust incur any indebtedness of any kind.

(i) Preferred Securities. The Preferred Securities of the  
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Trust shall have an aggregate stated liquidation amount with respect to the assets of the Trust of seven hundred and fifty million dollars (\$750,000,000) (subject to increase to not more than eight hundred and sixty-two million, five hundred thousand dollars (\$862,500,000) in the event of the exercise of any Over-allotment Option) and a stated liquidation amount with respect to the assets of the Trust of \$50 per Preferred Security. The Preferred Securities are hereby designated for identification purposes only as the Preferred Securities. The Preferred Security

Certificates shall be substantially in the form of Exhibit A hereto, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

(ii) Common Securities. The Common Securities of the Trust

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shall have an aggregate liquidation amount with respect to the assets of the Trust of twenty-three million, one hundred and ninety-five thousand, nine hundred dollars (\$23,195,900) (subject to increase to not more than twenty-six million, six hundred and seventy-five thousand, three hundred dollars (\$26,675,300) in the event of the exercise of any Over-allotment Option) and a liquidation amount with respect to the assets of the Trust of \$50 per Common Security. The Common Securities are hereby designated for identification purposes only as the Common Securities. The Common Security Certificates shall be substantially in the form of Exhibit B hereto, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

(b) Payment of Distributions on, and any payment of the Redemption Price upon a redemption of, the Preferred Securities and the Common Securities, as applicable, shall be made Pro Rata based on the liquidation amount of such Preferred Securities and Common Securities; provided that if, on any date on which payment of a Distribution or the Redemption Price is to be made, an Indenture Event of Default has occurred and is continuing, then such payments shall not be made on any of the Common Securities, and no other payment on account of the redemption, liquidation or other acquisition of such Common Securities shall be made, until all accumulated and unpaid Distributions, or payments of the Redemption Price, as the case may be, on all of the outstanding Preferred Securities for which Distributions are to be paid or that have been called for redemption, as the case may be, are fully paid. All funds available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions on, or the Redemption Price of, the Preferred Securities then due and payable.

(c) The consideration received by the Trust for the issuance of the Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust.

(d) Upon issuance of the Securities as provided in this Declaration, the Securities so issued shall be validly issued, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

(e) Every Person, by virtue of having become a Holder of Securities or a Beneficial Owner of Preferred Securities in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration, the Guarantee, the Indenture, the Purchase Contract Agreement, the Pledge Agreement and the Subordinated Notes.

(f) The Holders of the Securities shall not have any preemptive or similar rights.

(g) The Certificates shall be signed on behalf of the Trust by a Regular Trustee. Such signature shall be the manual or facsimile signature of any Regular Trustee. If a Regular Trustee of the Trust who has signed any of the Certificates ceases to be a Regular Trustee before such signed Certificates have been delivered by the Trust, such Certificates nevertheless may be delivered as though the Person who signed such Certificates had not ceased to be a Regular Trustee. Any Certificate may be signed on behalf of the Trust by such Persons who, at the actual date of execution of such Certificate, shall be the Regular Trustees of the Trust, although at the date of the execution and delivery of this Declaration any such Person was not such a Regular Trustee. Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation of any stock exchange on which the Securities may be listed, or to conform to usage.

A Preferred Security Certificate shall not be valid until authenticated by the manual signature of an authorized signatory of the Property Trustee. Such signature shall be conclusive evidence that such Preferred Security Certificate has been authenticated under this Declaration.

Upon a written order of the Trust signed by one Regular Trustee, the Property Trustee shall authenticate the Preferred Security Certificates for original issue. The aggregate number of Preferred Securities outstanding at any time (including the Over-allotment Option) shall not exceed the liquidation amount set forth in Section 7.1(a)(i).

The Property Trustee may appoint an authenticating agent acceptable to the Trust, as determined by the Regular Trustees on behalf of the Trust, to authenticate Certificates. An authenticating agent may authenticate Certificates whenever the Property Trustee may do so. Each reference in this Declaration to authentication by the Property Trustee shall include authentication by such agent. An authenticating agent shall have the same rights as the Property Trustee to deal with the Sponsor or an Affiliate of the Sponsor.

(h) The Preferred Security Certificates, upon original issuance (including Preferred Securities, if any, issued pursuant to the exercise of any Over-allotment Option), shall be issued as Global Securities in the form of one or more fully registered global Preferred Security Certificates (each a "Global Certificate"), to be delivered to The Depository Trust Company, the initial Depository, by or on behalf of the Trust. Such Global Certificates initially shall be registered on the books and records of the Trust in the name of "Cede & Co.," the nominee of the initial Depository. No Beneficial Owner of Preferred Securities shall receive a definitive Preferred Security Certificate representing such Beneficial Owner's interest in such Global Certificates, except as provided in Section 7.12. Unless and until definitive, fully registered Preferred Security

Certificates have been issued to the Beneficial Owners of Preferred Securities pursuant to Section 7.12,

(i) the provisions of this Section 7.1 shall be in full force and effect,

(ii) the Trust and the Trustees shall be entitled to deal with the Depositary for all purposes of this Declaration (including the payment of Distributions on the Global Certificates and receiving approvals, votes or consents thereunder) as the Holder of the Preferred Securities and the sole of holder of the Global Certificates and, except as set forth herein or in Rule 3a-7 (if the Trust is excluded from the definition of an Investment Company solely by reason of Rule 3a-7) with respect to the Property Trustee, shall have no obligation to the Beneficial Owners of the Preferred Securities,

(iii) to the extent that the provisions of this Section 7.1(h) conflict with any other provisions of this Declaration, the provisions of this Section 7.1(h) shall control, and

(iv) the rights of the Beneficial Owners of the Preferred Securities shall be exercised only through the Depositary and shall be limited to those established by law and agreements between such Beneficial Owners and the Depositary and/or the Depositary Participants. The Depositary shall make book-entry transfers among Depositary Participants and receive and transmit Distributions on the Global Certificates to such Depositary Participants; provided that solely for the purposes of determining whether the Holders of the requisite amount of Preferred Securities have voted on any matter provided for in this Declaration, so long as definitive Preferred Security Certificates have not been issued, the Trustees may rely conclusively on, and shall be protected in relying on, any written instrument (including a proxy) delivered to the Trustees by the Depositary setting forth the votes of the Beneficial Owners of the Preferred Securities or assigning the right to vote on any matter to any other Persons either in whole or in part.

Whenever a notice or other communication to the Holder of the Preferred Securities is required to be given under this Declaration, unless and until definitive Preferred Security Certificates have been issued pursuant to Section 7.1(g), the Trustees shall deliver all such notices and communications specified herein to be given to the Holders of the Preferred Securities to the Depositary, and, with respect to any Preferred Security Certificate registered in the name of a Depositary or the nominee of a Depositary, the Trustees may conclusively rely on, and shall be protected in relying on, any written instrument (including a proxy) delivered to the Trustees by the Depositary setting forth the votes of the Beneficial Owners of the Preferred Securities or assigning the right to vote on any matter or any other Persons either in whole or in part.

SECTION 7.2 Distributions.

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(a) Holders of the Securities shall be entitled to receive Distributions that shall accumulate and be payable at the rate per annum of 7.00% of the stated liquidation amount of \$50 per Security through (and including) February 15, 2004, and at the Reset Rate thereafter. The amount of Distributions payable for any period shall be computed (i) for any full quarterly distribution period, on the basis of a 360-day year of twelve 30-day months and (ii) for any period shorter than a full quarterly distribution period, on the basis of a 30-day month and, for any period of less than one month, on the basis of the actual number of days elapsed per 30-day month. Subject to Section 7.1(b), Distributions shall be made on the Securities on a Pro Rata basis. Distributions on the Securities shall accumulate from May 9, 2001, shall be cumulative and shall be payable quarterly, in arrears, on each Quarterly Payment Date, when, as and if available for payment, by the Property Trustee, except as otherwise described below. Distributions shall be payable only to the extent that payments are made to the Trust in respect of the Subordinated Notes held by the Property Trustee and to the extent that the Trust has funds available for the payment of such Distributions in the Property Account.

(b) Distributions not paid on the scheduled payment date shall accumulate and compound quarterly at the rate of 7.00% per annum through (and including) February 15, 2004, and at the Reset Rate thereafter ("Compounded Distributions"). "Distributions" shall mean ordinary cumulative distributions together with any Compounded Distributions.

(c) If and to the extent that the Subordinated Notes Issuer makes a payment of principal of and any premium or interest on the Subordinated Notes held by the Property Trustee (the amount of any such payment being a "Payment Amount"), the Property Trustee shall and is directed, to the extent funds are available for that purpose, to make a Pro Rata distribution of the Payment Amount to Holders, subject to Section 7.1(b).

(d) Distributions on the Securities shall be payable to the Holders thereof as they appear on the register of the Trust as of the close of business on the relevant record dates. If the Preferred Securities are represented by one or more Global Securities, the relevant record dates shall be the close of business on the Business Day preceding such Distribution payment date, unless a different regular record date is established or provided for the corresponding interest payment date on the Subordinated Notes. The relevant record dates for the Common Securities shall be the same as for the Preferred Securities. If the Preferred Securities are not represented by one or more Global Securities, the relevant record dates for the Preferred Securities shall be selected by the Regular Trustees, provided that such date shall be at least one (1) Business Day but less than sixty (60) Business Days prior to the relevant Distribution payment dates. At all times, the Distribution payment dates shall correspond to the interest payment dates on the Subordinated Notes. Distributions payable on any Securities that are not punctually paid on any Distribution payment date, as a result of the Subordinated Notes Issuer having failed to make a payment under the Subordinated Notes, shall cease to be payable to the Person in whose name such Securities are registered on the relevant record date,

and such defaulted Distribution instead shall be payable to the Person in whose name such Securities are registered on the special record date or other specified date determined in accordance with the Indenture for payment of the corresponding defaulted interest on the Subordinated Notes. If any date on which a Distribution is payable on the Securities is not a Business Day, then payment of the Distribution payable on such date shall be made on the next day that is a Business Day (and without any interest or other payment in respect of any such delay), except that if such Business Day is in the next calendar year, such payment shall be made on the preceding Business Day, with the same force and effect as if made on such payment date.

(e) In the event that there is any money or other property held by or for the Trust that is not accounted for hereunder, such property shall be distributed Pro Rata among the Holders of the Securities, subject to Section 7.1(b).

(f) Holders of Preferred Securities shall be entitled to receive any payments, including Distributions, paid with respect to such Preferred Securities notwithstanding the fact that such Holders may have substituted Treasury Securities for the Preferred Securities pursuant to the Purchase Contract Agreement and the Pledge Agreement.

#### SECTION 7.3 Redemption of Securities.

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(a) Upon the repayment or redemption pursuant to the Indenture, in whole but not in part, of the outstanding Subordinated Notes held by the Trust, whether at the stated maturity of the Subordinated Notes or upon earlier redemption as provided in the Indenture, the proceeds from such repayment or redemption shall be simultaneously applied Pro Rata (subject to Section 7.1(b)) to redeem, at the Redemption Price, Securities having an aggregate liquidation amount equal to the aggregate principal amount of the Subordinated Notes so repaid or redeemed at the Redemption Price. Holders of the Securities shall be given not less than 30 nor more than 60 days notice of such redemption in accordance with Section 7.4.

(b) If the Subordinated Notes Issuer redeems the Subordinated Notes upon the occurrence and continuance of a Tax Event, the proceeds from such redemption shall be applied by the Property Trustee to redeem the Securities in whole (but not in part) at a redemption price per Security equal to the Redemption Amount plus any accumulated and unpaid Distributions thereon to the Tax Event Redemption Date. If, following the occurrence of a Tax Event, the Subordinated Notes Issuer exercises its option to redeem the Subordinated Notes, the Subordinated Notes Issuer shall appoint the Quotation Agent. If a Tax Event Redemption occurs prior to the Purchase Contract Settlement Date, the redemption price payable in liquidation of the Preferred Securities that are components of Equity Security Units (and are therefore subject to the Pledge Agreement) will be distributed to the Securities Intermediary under the Pledge Agreement, which in turn will apply that amount to purchase the Treasury Portfolio on behalf of the holders of such Equity Security Units and remit the remaining portion, if any, of such price to the Purchase Contract Agent under the Purchase Contract Agreement, for payment to the Holders of such Equity Security Units. If a Tax Event



Redemption occurs after the Purchase Contract Settlement Date, the Treasury Portfolio shall not be purchased and the Property Trustee shall distribute Pro Rata to the Holders of the Securities on the Tax Event Redemption Date the Redemption Price payable in liquidation of such Holders' interests in the assets of the Trust. If a Tax Event Redemption occurs, holders of Securities that are not part of Equity Security Units will directly receive proceeds from the redemption of the Subordinated Notes.

SECTION 7.4 Redemption Procedures.  
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(a) Notice of any redemption of, or notice of distribution of Subordinated Notes in exchange for, the Securities (a "Redemption/Distribution Notice"), which notice shall be irrevocable, shall be given by the Trust by mail to each Holder of Securities to be redeemed or exchanged at least 30 but no more than 60 days before the date fixed for redemption or exchange thereof which, in the case of a redemption, shall be the date fixed for redemption of the Subordinated Notes. For purposes of the calculation of the date of redemption or exchange and the dates on which notices are given pursuant to this Section 7.4(a), a Redemption/Distribution Notice shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to the Holders of the Securities. Each Redemption/Distribution Notice shall be addressed to the Holders of the Securities at the address of each such Holder appearing in the register of the Trust. No defect in the Redemption/Distribution Notice or in the mailing of either thereof with respect to any Holder shall affect the validity of the redemption or exchange proceedings with respect to any other Holder.

(b) Subject to the Trust's fulfillment of the notice requirements set forth in Section 7.4(a), if Securities are to be redeemed, then (provided that the Subordinated Notes Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Subordinated Notes) (i) with respect to the Preferred Securities represented by one or more Global Securities, by 12:00 noon, New York City time, on the redemption date, the Property Trustee will deposit irrevocably with the Depository or its nominee funds sufficient to pay the applicable Redemption Price, and the Property Trustee shall give the Depository irrevocable instructions and authority to pay the Redemption Price to the Beneficial Owners of the Preferred Securities, and (ii) with respect to Securities not represented by one or more Global Securities, the Property Trustee shall pay the applicable Redemption Price to the Holders of such Securities by check mailed to the address of each Holder appearing on the register of the Trust on the redemption date. If any date fixed for redemption of Securities is not a Business Day, then payment of the Redemption Price payable on such date shall be made on the next Business Day (without any interest thereon), except that if such Business Day falls in the next calendar year, such payment shall be made on the preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. Notwithstanding the foregoing, so long as the Holder of any Preferred Securities is the Collateral Agent or the Purchase Contract Agent, the payment of the Redemption Price in respect of the Preferred Securities held by the Collateral Agent or the Purchase Contract Agent shall be made no later than 12:00 noon, New York City time, on the redemption date by check or wire transfer in immediately available funds at such place and to such account as may be designated by the Collateral Agent or

the Purchase Contract Agent. If payment of the Redemption Price in respect of any Securities is improperly withheld or refused and not paid either by the Trust or by the Sponsor as guarantor pursuant to the Guarantee, then Distributions on such Securities shall continue to accumulate at the then applicable rate, from the original redemption date to the actual date of payment, in which case the actual payment date shall be the date fixed for redemption for purposes of calculating the Redemption Price. For these purposes, the applicable Redemption Price shall not include Distributions that are being paid to Holders of Securities who were not Holders of Securities on a relevant record date. If a Redemption/Distribution Notice has been given and funds have been deposited or paid as required, then immediately prior to the close of business on the date of such deposit or payment, Distributions will cease to accumulate on the Securities called for redemption, and all rights of Holders of such Securities so called for redemption shall cease, except the right of the Holders of such Securities to receive the Redemption Price, but without interest on such Redemption Price, and from and after the date fixed for redemption, such Securities will cease to be outstanding.

(c) If any Preferred Securities to be redeemed shall then be pledged pursuant to the Pledge Agreement, the applicable Redemption Price for such Preferred Securities shall be credited to the collateral account maintained by the Collateral Agent on or prior to 12:30 p.m., New York City time, and applied by the Securities Intermediary in accordance with the Pledge Agreement.

(d) Neither the Regular Trustees nor the Trust shall be required to register or cause to be registered the transfer of any Securities that have been called for redemption.

(e) Subject to the foregoing and applicable law (including, without limitation, United States federal securities laws), the Subordinated Notes Issuer or its Affiliates may purchase, at any time and from time to time, outstanding Preferred Securities by tender, in the open market, by private agreement or otherwise.

SECTION 7.5 Voting Rights of the Preferred Securities.  
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(a) Except as provided under this Section 7.5 and Section 11.1 and as otherwise required by the Business Trust Act, the Trust Indenture Act and other applicable law, the Holders of the Preferred Securities shall have no voting rights.

(b) Subject to the requirement of the Property Trustee obtaining a tax opinion in certain circumstances set forth in Section 7.5(d), the Holders of a Majority in Liquidation Amount of the Preferred Securities, voting separately as a class, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or to direct the exercise of any trust or power conferred upon the Property Trustee under this Declaration, including the right to direct the Property Trustee, as Holder of the Subordinated Notes, to (i) exercise the remedies available to it under the Indenture with respect to the Subordinated Notes, (ii) waive any past default and its consequences that are waivable under the Indenture, (iii) exercise any

right to rescind or annul any declaration that the principal of all the Subordinated Notes shall be due and payable, or (iv) consent to any amendment, termination or modification of the Indenture or the Subordinated Notes where such consent is required; provided that if an Indenture Event of Default has occurred and is continuing, then the Holders of 25% of the aggregate stated liquidation amount of the Preferred Securities may direct the Property Trustee to declare the principal of and interest on the Subordinated Notes due and payable; and provided, further, that where a consent or action under the Indenture would require the consent or act of the Holders of more than a majority of the aggregate principal amount of Subordinated Notes affected thereby, the Property Trustee only may give such consent or take such action at the direction of the Holders of at least the same proportion in aggregate stated liquidation amount of the Preferred Securities.

(c) If the Property Trustee fails to enforce its rights under the Subordinated Notes after a Holder of Preferred Securities has made a written request, such Holder of Preferred Securities may institute, to the fullest extent permitted by law, a legal proceeding directly against the Subordinated Notes Issuer to enforce the Property Trustee's rights under the Indenture without first instituting any legal proceeding against the Property Trustee or any other Person. In addition, if a Trust Enforcement Event has occurred and is continuing and such event is attributable to the failure of the Subordinated Notes Issuer to make any interest, principal or other required payments when due under the Indenture, then a Holder of Preferred Securities may institute a Direct Action against the Subordinated Notes Issuer on or after the respective due date specified in the Subordinated Notes.

(d) The Property Trustee shall notify all Holders of the Preferred Securities of any notice of any Indenture Event of Default received from the Subordinated Notes Issuer with respect to the Subordinated Notes. Such notice shall state that such Indenture Event of Default also constitutes a Trust Enforcement Event. Except with respect to directing the time, method, and place of conducting a proceeding for a remedy, the Property Trustee shall be under no obligation to take any of the actions described in clauses (i), (ii) and (iii) of Section 7.5(b) above, unless the Property Trustee has obtained an opinion of independent tax counsel experienced in those matters to the effect that the Trust will not fail to be classified as a grantor trust for United States federal income tax purposes as a result of such action, and that each Holder of Preferred Securities shall be treated as owning an undivided beneficial ownership interest in the Subordinated Notes.

(e) If the consent of the Property Trustee, as the Holder of the Subordinated Notes, is required under the Indenture with respect to any amendment, termination or modification of the Indenture or the Subordinated Notes, the Property Trustee shall request the direction of the Holders of the Securities with respect to such amendment or modification and shall vote with respect to such amendment, termination or modification as directed by a Majority in Liquidation Amount of the Securities voting together as a single class; provided that where a consent under the Indenture would require the consent of the Holders of more than a majority of the aggregate principal amount of the Subordinated Notes, the Property Trustee only may give such consent at the direction of the Holders of at least the same proportion in aggregate stated liquidation

amount of the Securities. The Property Trustee shall not take any such action in accordance with the directions of the Holders of the Securities unless the Property Trustee has obtained an opinion of independent tax counsel experienced in those matters to the effect that the Trust will not be classified as other than a grantor trust for United States federal income tax purposes as a result of such action, and that each Holder will be treated as owning an undivided beneficial ownership interest in the Subordinated Notes.

(f) A waiver of an Indenture Event of Default with respect to the Subordinated Notes shall constitute a waiver of the corresponding Trust Enforcement Event.

(g) Any required approval or direction of the Holders of the Preferred Securities may be given at a separate meeting of the Holders of the Preferred Securities convened for such purpose, at a meeting of all of the Holders of the Securities or pursuant to written consent without a meeting. The Regular Trustees shall cause a notice of any meeting at which Holders of the Preferred Securities are entitled to vote to be mailed to each Holder of record of Preferred Securities. Each such notice shall include a statement setting forth: (i) the date of such meeting; (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote; and (iii) instructions for the delivery of proxies.

(h) No vote or consent of the Holders of the Preferred Securities shall be required for the Trust to redeem and cancel the Preferred Securities or distribute the Subordinated Notes in accordance with this Declaration and the terms of the Securities.

(i) Notwithstanding that the Holders of the Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned at such time by the Subordinated Notes Issuer the Trustees or any entity directly or indirectly controlled by, or under direct or indirect common control with, the Subordinated Notes Issuer or any Trustee shall not be entitled to vote or consent and shall be treated, for purposes of such vote or consent, as if such Preferred Securities were not outstanding.

(j) Except as provided under Section 7.5(k), the Holders of the Preferred Securities shall have no rights to appoint or remove the Trustees, who, subject to Section 6.6, may be appointed, removed or replaced by the Holders of the Common Securities.

(k) If an Indenture Event of Default has occurred and is continuing, the Property Trustee and the Delaware Trustee may be removed and replaced, subject to Section 6.6(b), at such time by a Majority in Liquidation Amount of the Preferred Securities.

(l) Notwithstanding anything to the contrary contained herein, the voting rights of holders of Pledged Trust Preferred Securities (as defined in the Purchase Contract Agreement) shall be exercised through the Purchase Contract Agent, as provided by the Purchase Contract Agreement and the Pledge Agreement.

SECTION 7.6 Voting Rights of the Common Securities.  
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(a) Except as provided in Section 6.1(b), this Section 7.6 and Section 11.1 and as otherwise required by the Business Trust Act, the Trust Indenture Act or other applicable law, the Holders of the Common Securities shall have no voting rights.

(b) Subject to Section 7.5(k), the Holders of the Common Securities shall be entitled to vote to appoint, remove or replace any Trustee or to increase or decrease the number of Trustees in accordance with Article 6.

(c) Subject to Section 2.6 and only after all Trust Enforcement Events with respect to the Preferred Securities have been cured, waived, or otherwise eliminated and subject to the requirement of the Property Trustee obtaining a tax opinion in certain circumstances set forth in this paragraph (c), the Holders of the Common Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or to direct the exercise of any trust or power conferred upon the Property Trustee under this Declaration, including the right to direct the Property Trustee, as Holder of the Subordinated Notes, to (i) exercise the remedies available to it under the Indenture, (ii) waive any past default and its consequences that are waivable under the Indenture, (iii) exercise any right to rescind or annul any declaration that the principal of all the Subordinated Notes shall be due and payable, or (iv) consent to any amendment, termination or modification of the Indenture or the Subordinated Notes where such consent is required; provided that where a consent or action under the Indenture would require the consent or act of the Holders of more than a majority of the aggregate principal amount of Subordinated Notes affected thereby, only the Holders of at least the same proportion of the aggregate stated liquidation amount of the Common Securities may direct the Property Trustee to give such consent or take such action. Except with respect to directing the time, method, and place of conducting a proceeding for a remedy, the Property Trustee shall be under no obligation to take any of the actions described in clause 7.6(c)(i), (ii) and (iii) above unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that, as a result of such action, for United States federal income tax purposes the Trust will not fail to be classified as a grantor trust and each Holder will be treated as owning an undivided beneficial ownership interest in the Subordinated Notes.

(d) If the Property Trustee fails to enforce its rights under the Subordinated Notes after the Holders of the Common Securities have made a written request, the Holders of the Common Securities may institute, to the fullest extent permitted by law, a legal proceeding directly against the Subordinated Notes Issuer to enforce the Property Trustee's rights under the Subordinated Notes without first instituting any legal proceeding against the Property Trustee or any other Person. In addition, if a Trust Enforcement Event has occurred and is continuing and such event is attributable to the failure of the Subordinated Notes Issuer to make any interest, principal or other required payments when due under the Indenture, then a Holder of Common Securities may institute a Direct Action against the Subordinated Notes Issuer on or after the respective due date specified in the Subordinated Notes.

(e) A waiver of an Indenture Event of Default with respect to the Subordinated Notes shall constitute a waiver of the corresponding Trust Enforcement Event.

(f) Any required approval or direction of the Holders of the Common Securities may be given at a separate meeting of the Holders of the Common Securities convened for such purpose, at a meeting of all of the Holders of the Securities or pursuant to written consent. The Regular Trustees shall cause a notice of any meeting at which the Holders of the Common Securities are entitled to vote to be mailed to the Holders of the Common Securities. Such notice shall include a statement setting forth: (i) the date of such meeting; (ii) a description of any resolution proposed for adoption at such meeting on which the Holders of the Common Securities are entitled to vote; and (iii) instructions for the delivery of proxies.

(g) No vote or consent of the Holders of the Common Securities shall be required for the Trust to redeem and cancel the Common Securities or to distribute Subordinated Notes in accordance with this Declaration and the terms of the Securities.

SECTION 7.7 Paying Agent. If any Preferred Securities are not

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represented by one or more Global Securities, the Trust shall maintain in the Borough of Manhattan, New York City, State of New York, an office or agency where the Preferred Securities may be presented for payment ("Paying Agent"). The Regular Trustees shall appoint the paying agent (which shall be a bank or trust company acceptable to the Subordinated Notes Issuer) and may appoint one or more additional paying agents in such other locations as they shall determine. The term "Paying Agent" includes any additional paying agent. The Regular Trustees may change any Paying Agent without prior notice to the Holders of the Securities. The Regular Trustees shall notify the Property Trustee of the name and address of any Paying Agent not a party to this Declaration. If the Regular Trustees, on behalf of the Trust, fail to appoint or maintain another entity as Paying Agent, the Property Trustee shall act as such. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Property Trustee and the Subordinated Notes Issuer.

SECTION 7.8 Listing. The Sponsor shall use its best efforts to cause

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the Equity Security Units to be listed for quotation on the New York Stock Exchange.

SECTION 7.9 Transfer of the Securities.

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(a) (i) On their sale by the Company the Preferred Securities initially shall be pledged, pursuant to the terms of the Pledge Agreement, as collateral to secure the obligations of the Holders of Equity Security Units to purchase common shares of the Company in accordance with the terms of the Purchase Contract Agreement.

(ii) The Preferred Securities may be transferred, in whole or in part, only in accordance with the terms and conditions set forth in this Declaration and the Purchase Contract Agreement. To the fullest extent permitted by law, any transfer or purported

transfer of any Preferred Security not made in accordance with this Declaration shall be null and void.

(iii) Subject to this Section 7.9 and Section 7.12, the Preferred Securities shall be freely transferable.

(iv) The Trust shall cause to be kept at the Corporate Trust Office a register in which, subject to such reasonable regulations as it may prescribe, the Trust shall provide for the registration of Preferred Securities and of transfers of Preferred Securities. The Property Trustee is hereby appointed "Security Registrar" for the purpose of registering Preferred Securities and transfers of Preferred Securities as herein provided.

(v) Upon surrender for registration of transfer of any Preferred Securities at an office or agency of the Trust designated for such purpose, a Regular Trustee shall execute, and the Property Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Preferred Securities of any authorized denominations and of a like aggregate principal amount.

(vi) At the option of the Holder, Securities may be exchanged for other Preferred Securities of any authorized denominations and of a like aggregate principal amount, upon surrender of the Preferred Securities to be exchanged at such office or agency. Whenever any Preferred Securities are so surrendered for exchange, a Regular Trustee shall execute, and the Property Trustee shall authenticate and deliver, the Preferred Securities that the Holder making the exchange is entitled to receive.

(vii) If so required by the Trust or the Property Trustee, every Preferred Security presented or surrendered for registration of transfer or for exchange shall be duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Trust and the Security Registrar, by the Holder thereof or his attorney duly authorized in writing.

(viii) No service charge shall be made for any registration of transfer or exchange of Preferred Securities, but the Trust 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 Preferred Securities.

(b) The Subordinated Notes Issuer may not transfer the Common Securities except in connection with the transactions permitted under Section 801 of the Indenture; provided that each Holder of the Common Securities shall at all times be a United States Person. To the fullest extent permitted by law, any attempted transfer of the Common Securities other than as set forth in this Section 7.9(b) shall be null and void.

SECTION 7.10 Mutilated, Destroyed, Lost or Stolen Certificates. If:  
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(a) any mutilated Certificates are surrendered to the Regular Trustees, or if the Regular Trustees receive evidence to their satisfaction of the destruction, loss or theft of any Certificate; and

(b) there shall be delivered to the Regular Trustees such security or indemnity as may be required by them to keep each of the Sponsor and the Trust harmless, then, in the absence of notice that such Certificate has been acquired by a bona fide purchaser, any Regular Trustee shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like denomination. In connection with the issuance of any new Certificate under this Section 7.10, the Regular Trustees may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section 7.10 shall constitute conclusive evidence of an ownership interest in the relevant Securities, as if originally issued, whether or not the lost, stolen or destroyed Certificate is found at any time.

SECTION 7.11 Deemed Holders. The Trustees may treat the Person in whose name any Securities are registered on the register of the Trust as the sole holder of such Securities for purposes of receiving Distributions and for all other purposes whatsoever. Accordingly, the Trustees shall not be bound to recognize any equitable or other claim to or interest in such Certificate or in the Securities represented by such Certificate on the part of any Person, whether or not the Trust has actual or other notice thereof.

SECTION 7.12 Global Securities.  
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(a) The Preferred Securities initially shall be issued in the form of one or more Global Securities. A Regular Trustee shall execute, and the Property Trustee shall authenticate and deliver, one or more Global Securities that (i) shall represent and be denominated in an amount equal to the aggregate stated liquidation amount of all of the Preferred Securities to be issued in the form of Global Securities and not yet canceled, (ii) shall be registered in the name of the Depository for the Preferred Securities or the nominee of such Depository and (iii) shall be delivered by the Property Trustee to such Depository or pursuant to such Depository's instructions. Global Securities shall bear a legend substantially to the following effect:

"This Preferred Security is a Global Security within the meaning of the Declaration and is registered in the name of The Depository Trust Company, a New York corporation (the "Depository"), or a nominee of the Depository. This Preferred Security is exchangeable for Preferred Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Declaration, and no transfer of this Preferred Security (other than a transfer of this Preferred Security as a whole by the Depository to a nominee of the Depository or by



a nominee of the Depositary to the Depositary or another nominee of the Depositary) may be reregistered except in limited circumstances.

Unless this certificate is presented by an authorized representative of the Depositary to RC Trust I or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depositary (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depositary), and except as otherwise provided in the Amended and Restated Declaration of Trust of RC Trust I dated as of May 9, 2001, as amended from time to time, 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."

(b) Preferred Securities not represented by a Global Security issued in exchange for all or a part of a Global Security pursuant to this Section 7.12 shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Property Trustee. Upon execution and authentication, the Property Trustee shall deliver any Preferred Securities not represented by a Global Security to the Persons in whose names such definitive Preferred Securities are so registered.

(c) At such time as all interests in Global Securities have been redeemed, repurchased or canceled, such Global Securities shall be canceled, upon receipt thereof, by the Property Trustee in accordance with standing procedures of the Depositary. At any time prior to such cancellation, if any interest in a Global Security is exchanged for Preferred Securities not represented by a Global Security, redeemed, canceled or transferred to a transferee who receives Preferred Securities not represented by a Global Security, or if any Preferred Security not represented by a Global Security is exchanged or transferred for part of a Global Security, then, in accordance with the standing procedures of the Depositary, the liquidation amount of such Global Security shall be reduced or increased, as the case may be, and an endorsement shall be made on such Global Security by the Property Trustee to reflect such reduction or increase.

(d) The Trust and the Property Trustee, as the authorized representative of the Holders of the Preferred Securities, may deal with the Depositary for all purposes of this Declaration, including the making of payments due on the Preferred Securities and exercising the rights of Holders of the Preferred Securities hereunder. The rights of any Beneficial Owners shall be limited to those established by law and agreements between such owners and Depositary Participants; provided that no such agreement shall give to any Person any rights against the Trust or the Property Trustee without the written consent of the parties so affected. Multiple requests and directions from and votes of the Depositary as the Holder of the Preferred Securities represented by Global Securities with

respect to any particular matter shall not be deemed inconsistent to the extent they do not represent an amount of Preferred Securities in excess of those held in the name of the Depositary or its nominee.

(e) If at any time the Depositary notifies the Trust that it is unwilling or unable to continue as Depositary for the Preferred Securities or if at any time the Depositary no longer is eligible under this Section 7.12 to serve as Depositary, the Regular Trustees shall appoint a successor Depositary with respect to the Preferred Securities. If a successor Depositary is not appointed by the Trust within 90 days after the Trust receives such notice or becomes aware of such ineligibility, the Trust's election that the Preferred Securities be represented by one or more Global Securities shall no longer be effective, and a Regular Trustee shall execute, and the Property Trustee will authenticate and deliver, Preferred Securities in definitive registered form, in any authorized denominations, in an aggregate stated liquidation amount equal to the aggregate stated liquidation amount of the Global Securities representing the Preferred Securities in exchange for such Global Securities.

(f) The Regular Trustees on behalf of the Trust at any time and in their sole discretion may determine that the Preferred Securities issued in the form of one or more Global Securities shall no longer be represented by Global Securities. In such event a Regular Trustee on behalf of the Trust shall execute, and the Property Trustee shall authenticate and deliver, Preferred Securities in definitive registered form, in any authorized denominations, in an aggregate stated liquidation amount equal to the aggregate stated liquidation amount of the Global Securities representing the Preferred Securities, in exchange for such Global Securities.

(g) Notwithstanding any other provisions of this Declaration (other than the provisions set forth in Section 7.9), Global Securities may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(h) Interests of Beneficial Owners may be transferred or exchanged for Preferred Securities not represented by a Global Security, and Preferred Securities not represented by a Global Security may be transferred or exchanged for a Global Security or Securities, in accordance with rules of the Depositary and the provisions of Section 7.9.

#### SECTION 7.13 Remarketing

(a) So long as the Preferred Securities, the Equity Security Units and the Treasury Securities are evidenced by one or more global certificates held by the Depositary, the Subordinated Notes Issuer shall request, not later than 15 nor more than 30 calendar days prior to the Remarketing Date, that the Depositary notify the Holders of the Preferred Securities and the holders of Equity Security Units and the Treasury Equity

Security Units of the Remarketing and of the procedures that must be followed if a Holder of Preferred Securities wishes to make an Early Settlement.

(b) Not later than 5:00 P.M., New York City time, on the fifth Business Day preceding February 15, 2004, each Holder of Preferred Securities may elect to have the Preferred Securities held by such Holder remarketed in the Remarketing. Under Section 5.2 of the Purchase Contract Agreement, holders of Equity Security Units that do not give notice of their intention to make an early Settlement of the Purchase Contract component of their Equity Security Units prior to such time in the manner specified in such Section, or have given such notice but fail to deliver U.S. Treasury securities prior to 10:00 A.M., New York City time, on or prior to the Business Day immediately preceding the Remarketing Date, shall be deemed to have consented to the disposition of the Preferred Securities comprising a component of their Equity Security Units in the Remarketing. Holders of the Preferred Securities that are not a component of Equity Security Units wishing to elect to have their Preferred Securities remarketed shall give to the Purchase Contract Agent notice of their election prior to 10:00 A.M., New York City time on the Business Day immediately preceding the Remarketing Date. Any such notice shall be irrevocable and may not be conditioned upon the level at which the Reset Rate is established in the Remarketing. Promptly after 10:00 A.M., New York City time, on such Business Day immediately preceding the Remarketing Date, the Purchase Contract Agent, based on the notices received by it prior to such time (including notices to the Purchase Contract Agent as to Purchase Contracts for which Early Settlement has been elected and cash received), shall notify the Trust, the Sponsor and the Remarketing Agent of the number of Preferred Securities to be tendered for purchase in the Remarketing.

(c) If any Holder of Equity Security Units does not give a notice of its intention to make an early Settlement or gives such notice but fails to deliver cash as-described in Section 7.13(b), or gives a notice of election to have Preferred Securities that are not a component of Equity Security Units remarketed, then the Preferred Securities of such Holder shall be deemed tendered for purchase in the Remarketing, notwithstanding any failure by such Holder to deliver or properly deliver such Preferred Securities to the Remarketing Agent for purchase.

(d) The right of each Holder to have Preferred Securities tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts a Remarketing pursuant to the terms of the Remarketing Agreement, (ii) the Remarketing Agent is able to find a purchaser or purchasers for the tendered Preferred Securities and (iii) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent.

(e) On the Remarketing Date or any Subsequent Remarketing Date, the Remarketing Agent shall use commercially reasonable best efforts to remarket, at a price equal to at least 100.25% of the Remarketing Value thereof, the Preferred Securities tendered or deemed tendered for purchase.

(f) If, as a result of the efforts described in 7.13(e), the Remarketing Agent has determined that it will be able to remarket all of the Preferred Securities

tendered or deemed tendered for purchase at a price of at least 100.25% of the Remarketing Value of such Preferred Securities (determined on the basis of the Remarketing Value of the Preferred Securities being remarketed), on the third Business Day immediately preceding February 15, 2004, the Remarketing Agent shall determine the Reset Rate, which shall be the rate per annum (rounded to the nearest one-thousandth (0.001) of one percent per annum), adjusted up, that the Remarketing Agent determines, in its sole reasonable judgment, to be sufficient to cause the then current aggregate market value of the Preferred Securities to be equal to at least 100.25% of the Remarketing Value (assuming, even if not true, that all of the Preferred Securities are held as components of Equity Security Units and are to be remarketed); provided that in no event shall the Reset Rate be less than 7.00%.

(g) If none of the Holders of the Preferred Securities or the holders of the Equity Security Units elect to have Preferred Securities remarketed in the Remarketing, the Reset Rate shall be the rate determined by the Remarketing Agent, in its sole reasonable discretion, as the rate that would have been established had a Remarketing been held on the Remarketing Date, subject to the proviso set forth in the last clause of Section 7.13(f).

(h) If, by 4:00 P.M., New York City time, on the Remarketing Date or any Subsequent Remarketing Date, the Remarketing Agent is unable to remarket all of the Preferred Securities tendered or deemed tendered for purchase, a failed Remarketing ("Failed Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Purchase Contract Agent, the Indenture Trustee, the Collateral Agent, the Depositary, the Property Trustee, the Trust and the Sponsor. The Company will cause a notice of any Failed Remarketing to be published on the second Business Day following the Remarketing Date (and any Subsequent Remarketing Date, as the case may be) in a daily newspaper in the English language of general circulation in The City of New York, which is expected to be The Wall Street Journal.

(i) In the event of a Failed Remarketing, the Remarketing Agent may make one or more attempts to remarket the Preferred Securities in accordance with the procedures set forth in this Section 7.13 and the Remarketing Agreement (each a "Subsequent Remarketing"); provided that (x) the notice of any Subsequent Remarketing cannot be given until the notice of the Failed Remarketing (referred to in Section 7.13(h)) has been published in respect of any immediately preceding Failed Remarketing and (y) the settlement date in respect of any Subsequent Remarketing must fall no later than on the Business Day immediately preceding the Purchase Contract Settlement Date. If by the Purchase Contract Settlement Date the Remarketing Agent has failed to remarket the Preferred Securities which are components of Equity Security Units at a price equal to at least 100.25% of the Remarketing Value thereof, in accordance with the terms of the Pledge Agreement, the Collateral Agent, for the benefit of the Company, may exercise its rights as a secured party with respect to such Preferred Securities, including among others, its right, subject to applicable law, to (x) retain such Preferred Securities in full satisfaction of the Holders obligations under the Purchase Contracts or (y) sell such Preferred Securities in one or more public or private sales; provided, that if upon a Failed Remarketing, the Collateral Agent exercises such rights for the benefit of the Company with respect to such Preferred Securities, any accumulated and unpaid distributions on

such Preferred Securities will become payable by the Company to the Purchase Contract Agent for payment to the Holders of the Equity Security Units to which such Preferred Securities relate. Such payment will be made by the Company on or prior to 11 a.m., New York City time, on the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer in immediately available funds payable to or upon the order of the Purchase Contract Agent.

(j) By approximately 4:30 P.M., New York City time, on the Remarketing Date (or any Subsequent Remarketing Date) provided that there has not been a Failed Remarketing, the Remarketing Agent shall advise, by telephone (i) the Depository, the Indenture Trustee, the Trust, the Purchase Contract Agent and the Sponsor of the Reset Rate determined in the Remarketing and the number of Preferred Securities sold in the Remarketing, (ii) each purchaser (or the Depository Participant thereof) purchasing Preferred Securities sold in the Remarketing of the Reset Rate and the number of Preferred Securities such purchaser is to purchase and (iii) each purchaser to give instructions to its Depository Participant to pay the purchase price on the Purchase Contract Settlement Date in same day funds against delivery of the Preferred Securities purchased through the facilities of the Depository.

(k) In accordance with the Depository's normal procedures, on the Remarketing Settlement Date, the transactions described above with respect to each Preferred Security tendered for purchase and sold in the Remarketing shall be executed through the Depository, and the accounts of the respective Depository Participants shall be debited and credited and such Preferred Securities delivered by book-entry as necessary to effect purchases and sales of such Preferred Securities. The Depository shall make payment in accordance with its normal procedures.

(l) If any Holder of the Preferred Securities selling Preferred Securities in the Remarketing fails to deliver such Preferred Securities, the Depository Participant of such selling holder and of any other Person that was to have purchased Preferred Securities in the Remarketing may deliver to any such other Person a number of Preferred Securities that is less than the number of Preferred Securities that otherwise was to be purchased by such Person. In such event, the number of Preferred Securities to be so delivered shall be determined by such Depository Participant, and delivery of such lesser number of Preferred Securities shall constitute good delivery.

(m) The Remarketing Agent is not obligated to purchase any Preferred Securities that otherwise would remain unsold in the Remarketing. Neither the Trust, any Trustee, the Sponsor nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of the Preferred Securities for Remarketing.

(n) Under the Remarketing Agreement, the Sponsor, in its capacity as Subordinated Notes Issuer, shall be liable for, and shall pay, any and all costs and expenses incurred in connection with the Remarketing, and the Trust shall not have any liabilities for such costs and expenses.

(o) For the performance of its services, the Remarketing Agent will retain an amount not exceeding 0.25% of the proceeds from the sale of all the Preferred Securities included in the Remarketing. The Remarketing Agent shall use the portion of the proceeds attributable to the Preferred Securities that were components of Equity Security Units to purchase (in open market or at treasury auction, in its discretion) the amount and types of U.S. Treasury securities set forth in clauses (A) and (B) of the definition of "Remarketing Value" and shall deliver such securities through the Purchase Contract Agent to the Collateral Agent to secure the obligations under the related purchase contracts of the Holders of Equity Security Units whose Preferred Securities were included in the Remarketing. The Remarketing Agent shall remit the portion of the proceeds attributable to the Preferred Securities that were not components of Equity Security Units to the holders of such Preferred Securities. The Remarketing Agent shall remit any remaining balance of the proceeds, if any, to the Purchase Contract Agent for the benefit of the Holders of Equity Security Units participating in the Remarketing.

(p) The tender and settlement procedures set in this Section 7.13, including provisions for payment by purchasers of the Preferred Securities in the Remarketing, shall be subject to modification to the extent required by the Depository or if the book-entry system is no longer available for the Preferred Securities at the time of the Remarketing, to facilitate the tendering and remarketing of the Preferred Securities in certificated form. In addition, the Remarketing Agent may modify the settlement procedures set forth herein in order to facilitate the settlement process.

#### ARTICLE 8: DISSOLUTION AND TERMINATION OF THE TRUST

##### SECTION 8.1 Dissolution and Termination of the Trust.

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(a) The Trust shall dissolve upon the earliest of:

(i) the bankruptcy of the Subordinated Notes Issuer or of any other holder of the Common Securities;

(ii) the filing of a certificate of dissolution or its equivalent with respect to the Sponsor or the revocation of the Sponsor's certificate of incorporation and the expiration of 90 days after the date of revocation without a reinstatement thereof;

(iii) the entry of a decree of judicial dissolution of the holder of the Common Securities, the Sponsor or the Trust;

(iv) the time when all of the Securities shall have been called for redemption and the amounts then due shall have been paid to the Holders of the Securities;

(v) the time when the Subordinated Notes Issuer shall have redeemed the Subordinated Notes upon the occurrence and continuation of a Tax Event and the proceeds from such redemption have been applied to redeem the Securities pursuant to Section 7.3(b);

(vi) upon the direction of the Sponsor, in its sole discretion, by notice and direction to the Property Trustee to distribute, after the satisfaction of liabilities to creditors of the Trust, if any, the Subordinated Notes to the Holders of the Securities in exchange for all of the Securities; provided that the Sponsor has provided to the Property Trustee an opinion of counsel that the distribution of the Subordinated Notes will not be taxable to the holders of the Preferred Securities for United States federal income tax purposes; or

(vii) May 15, 2006.

(b) As soon as is practicable after the occurrence of an event referred to in Section 8.1(a) and upon completion of the winding up and liquidation of the Trust, the Regular Trustees shall terminate the Trust by executing and filing a certificate of cancellation with the Secretary of State of the State of Delaware.

(c) The provisions of Section 4.2 and Article 9 shall survive the termination of the Trust.

SECTION 8.2 Liquidation Distribution upon Dissolution of the Trust.  
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(a) In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Trust (each a "Liquidation") based on the occurrence of an event specified in Section 8.1(a) (other than clauses (iv) or (v)), the Holders of the Securities on the date of the Liquidation shall be entitled to receive on a Pro Rata basis, after satisfaction of the Trust's liabilities to creditors, Subordinated Notes in an aggregate principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the distribution rate of, and accrued and unpaid interest equal to accumulated and unpaid Distributions on, such Securities in exchange for such Securities; provided if the Liquidation occurs prior to the Purchase Contract Settlement Date, the Subordinated Notes receivable by the Holders shall be transferred to the Collateral Account.

(b) Notice of Liquidation shall be given by the Property Trustee by first-class mail, postage prepaid mailed not later than 30 nor more than 60 days prior to the date of the Liquidation to each Holder of Securities at such Holder's address appearing in the Securities register. All notices of Liquidation shall:

(i) state the date of the Liquidation;

(ii) state that from and after the date of the Liquidation, the Securities will no longer be deemed to be outstanding and any Certificates not surrendered for exchange will be deemed to represent the Subordinated Notes in a principal amount equal to the stated liquidation amount of the Securities, bearing accrued and unpaid interest in an amount equal to the accumulated and unpaid Distribution on the Securities; and

(iii) provide such information with respect to the mechanics by which Holders may exchange Certificates for Subordinated Note, or if Section 8.2(d) applies receive a distribution, as the Property Trustee shall deem appropriate.

(c) Except where Section 8.1(a)(iv) or (v) or Section 8.2(d) applies, in order to affect the liquidation of the Trust and distribution of the Notes to Holders, the Property Trustee shall establish a record date for such distribution (which shall be not more than 45 days prior to the date of the Liquidation) and, either itself acting as exchange agent or through the appointment of a separate exchange agent, shall establish such procedures as it shall deem appropriate to effect the distribution of Subordinated Notes in exchange for the outstanding Certificates.

(d) In the event that, notwithstanding the other provisions of this Section 8.2, whether because of an order for dissolution entered by a court of competent jurisdiction or otherwise, distribution of the Subordinated Notes in the manner provided herein is determined by the Property Trustee not to be practical, the property of the Trust shall be liquidated, and the Trust shall be wound-up and terminated, by the Property Trustee in such manner as the Property Trustee determines. In such event, on the date of the winding-up and termination of the Trust, the Holders of the Securities on the date of the Liquidation shall be entitled to receive, out of the assets of the Trust available for distribution to the Holders of the Securities after satisfaction of the Trust's liabilities to creditors, if any, cash or other immediately available funds in an amount equal to the aggregate of the stated liquidation amount of \$50 per Security plus accumulated and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"); provided if the Liquidation occurs prior to the Purchase Contract Settlement Date, the Redemption Price payable to the Collateral Agent, in liquidation of the Holders' interests in the Preferred Securities, will be distributed to the Collateral Agent, which in turn will apply an amount equal to the Redemption Amount of such Redemption Price to purchase the Treasury Portfolio on behalf of the Holders of the Securities and remit the remaining portion, if any, of such Redemption Price to the Purchase Contract Agent for payment to the Holders. If, upon any such Liquidation, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay the aggregate Liquidation Distribution in full, then the amounts payable directly by the Trust on the Securities shall be paid on a Pro Rata basis. The Holders of the Common Securities shall be entitled to receive the Liquidation Distribution Pro Rata with the Holders of the Preferred Securities, except that if an Indenture Event of Default has occurred and is continuing, then the Preferred Securities shall have a preference over the Common Securities with regard to the Liquidation Distribution.

(e) After the date fixed for any distribution of Subordinated Notes upon dissolution of the Trust, (i) the Securities no longer shall be deemed to be outstanding and (ii) the Certificates shall be deemed to represent the Subordinated Notes in a principal amount equal to the stated liquidation amount of the Securities, bearing accrued and unpaid interest in an amount equal to the accumulated and unpaid Distributions on the Securities, until such Certificates are presented to the Regular Trustees or agent for transfer or reissuance. If the Subordinated Notes are distributed to the Holders of the Securities pursuant to Section 8.2, then they will be subject to the Remarketing, settlement and other provisions of the Purchase Contract Agreement and the Pledge Agreement as if they were the Preferred Securities.



ARTICLE 9: LIMITATION OF LIABILITY OF  
HOLDERS OF THE SECURITIES, THE DELAWARE TRUSTEE AND OTHERS

SECTION 9.1 Liability.  
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(a) Except as expressly set forth in this Declaration, the Guarantee and the terms of the Securities, the Sponsor:

(i) shall not be personally liable for the return of any portion of the capital contributions (or any return thereon) of the Holders of the Securities that will be made solely from assets of the Trust; and

(ii) shall not be required to pay to the Trust or to any Holder of the Securities any deficit, upon dissolution of the Trust or otherwise.

(b) Pursuant to Section 3803(a) of the Business Trust Act, Holders of the Securities shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

SECTION 9.2 Exculpation.  
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(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or to any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner that such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence (or, in the case of the Property Trustee, negligence) or willful misconduct with respect to such acts or omissions.

(b) Each Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters such Indemnified Person reasonably believes to be within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which distributions to Holders of the Securities might properly be paid.

SECTION 9.3 Fiduciary Duty.  
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(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they

restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity (other than the duties imposed on the Property Trustee under the Trust Indenture Act), are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person.

(b) Unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between a Covered Person and an Indemnified Person; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any Holder of Securities, the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise.

(c) Whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

#### SECTION 9.4 Indemnification.

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(a) To the fullest extent permitted by applicable law, the Sponsor, in its capacity as Subordinated Notes Issuer, shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such

Indemnified Person by reason of gross negligence (or, in the case of the Property Trustee, negligence) or willful misconduct with respect to such acts or omissions.

(b) The provisions of this Section 9.4 shall survive the termination of this Declaration or the resignation or removal of any Trustee.

(c) The Sponsor or the Trust may purchase and maintain insurance on behalf of any Person who is or was an Indemnified Person against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Sponsor would have the power to indemnify him or her against such liability under the provisions of this Section 9.4.

(d) For purposes of this Section 9.4, references to "the Trust" shall include, in addition to the resulting or surviving entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger, so that any Person who is or was a director, trustee, officer or employee of such constituent entity, or is or was serving at the request of such constituent entity as a director, trustee, officer, employee or agent of another entity, shall stand in the same position under the provisions of this Section 9.4 with respect to the resulting or surviving entity as he or she would have had with respect to such constituent entity if its separate existence had continued.

(e) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 9.4 shall continue, unless otherwise provided when authorized or ratified, as to a Person who has ceased to be an Indemnified Person and shall inure to the benefit of the heirs, executors and administrators of such a Person. The obligation to indemnify as set forth in this Section 9.4 shall survive the resignation or removal of the Delaware Trustee or the Property Trustee or the termination of this Declaration.

SECTION 9.5 Outside Businesses. Any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee (subject to Section 6.3(c)) may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the activities of the Trust, and the Trust and the Holders of the Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the activities of the Trust, shall not be deemed wrongful or improper. Each Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall not be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Property Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depositary for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

ARTICLE 10: ACCOUNTING

SECTION 10.1 Fiscal Year. The fiscal year ("Fiscal Year") of the Trust shall be the calendar year, or such other year as is required by the Code.

SECTION 10.2 Certain Accounting Matters.  
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(a) At all times during the existence of the Trust, the Regular Trustees shall keep, or shall cause to be kept, full books of account, records and supporting documents, which shall reflect in reasonable detail each transaction of the Trust. The books of account shall be maintained on the accrual method of accounting, in accordance with generally accepted accounting principles, consistently applied. The Trust shall use the accrual method of accounting for United States federal income tax purposes. The books of account and the records of the Trust shall be examined by and reported upon as of the end of each Fiscal Year of the Trust by a firm of independent certified public accountants selected by the Regular Trustees.

(b) The Regular Trustees shall cause to be prepared and delivered to each Holder of Securities, within 90 days after the end of each Fiscal Year of the Trust, annual financial statements of the Trust, including a balance sheet of the Trust as of the end of such Fiscal Year, and the related statements of income or loss.

(c) The Regular Trustees shall cause to be duly prepared and delivered to each Holder of Securities an annual United States federal income tax information statement, required by the Code, containing such information with regard to the Securities held by each Holder as is required by the Code and the Treasury Regulations. Notwithstanding any right under the Code to deliver any such statement at a later date, the Regular Trustees shall endeavor to deliver all such statements within 30 days after the end of each Fiscal Year of the Trust.

(d) The Regular Trustees shall cause to be duly prepared and filed with the appropriate taxing authority an annual United States federal income tax return, on Form 1041 or such other form required by United States federal income tax law, and any other annual income tax returns required to be filed on behalf of the Trust with any state or local taxing authority.

SECTION 10.3 Banking. The Trust shall maintain one or more bank accounts in the name and for the sole benefit of the Trust; provided that all payments of funds in respect of the Subordinated Notes held by the Property Trustee shall be made directly to the Property Account and no other funds of the Trust shall be deposited in the Property Account. The sole signatories for such accounts shall be designated by the Regular Trustees; provided that the Property Trustee shall designate the signatories for the Property Account.

SECTION 10.4 Withholding. The Trust and the Regular Trustees shall comply with all withholding requirements under United States federal, state and local law. The Regular Trustees shall request, and the Holders of the Securities shall provide

to the Trust, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Holder of Securities and any representations and forms as shall reasonably be requested by the Regular Trustees to assist them in determining the extent of, and in fulfilling, the Trust's withholding obligations. The Regular Trustees shall file required form with applicable jurisdictions and, unless an exemption from withholding is properly established by a Holder of Securities, shall remit amounts withheld with respect to such Holder to applicable jurisdictions. To the extent that the Trust is required to withhold and pay over any amounts to any authority with respect to distributions or allocations to any Holder of Securities, the amount withheld shall be deemed to be a distribution in the amount of the withholding to such Holder. In the event of any claimed over withholding, a Holder shall be limited to an action against the applicable jurisdiction. If the amount required to be withheld was not withheld from actual Distributions made, the Trust may reduce subsequent Distributions by the amount of such withholding.

ARTICLE 11: AMENDMENTS AND MEETINGS

SECTION 11.1 Amendments.

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(a) Except as otherwise provided in this Declaration or by any applicable terms of the Securities, this Declaration may be amended only by a written instrument approved and executed by (i) the Sponsor and (ii) the Regular Trustees (or, if there are more than two Regular Trustees, a majority of the Regular Trustees) and (iii) the Property Trustee (if the amendment affects the rights, powers, duties, obligations or immunities of the Property Trustee) and (iv) by the Delaware Trustee (if the amendment affects the rights, powers, duties, obligations or immunities of the Delaware Trustee).

(b) No amendment shall be made, and any such purported amendment shall be void and ineffective:

(i) unless, in the case of any proposed amendment, the Property Trustee first has received an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities);

(ii) unless, in the case of any proposed amendment that affects the rights, powers, duties, obligations or immunities of the Property Trustee, the Property Trustee first has received:

(A) an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and

(B) an opinion of counsel (which may be counsel to the Sponsor or the Trust) that such amendment is permitted by, and

conforms to, the terms of this Declaration  
(including the terms of the Securities); and

(iii) to the extent the result of such amendment would be to:

- (A) cause the Trust to be classified other than as a grantor trust for United States federal income tax purposes;
- (B) reduce or otherwise adversely affect the powers of the Property Trustee in contravention of the Trust Indenture Act; or
- (C) cause the Trust to be deemed to be an Investment Company required to be registered under the Investment Company Act.

(c) At such time after the Trust has issued any Securities that remain outstanding, (i) any amendment that would (A) materially adversely affect the powers, preferences or special rights of the Securities, whether by way of amendment to this Declaration or otherwise or (B) result in the dissolution, winding-up or termination of the Trust other than pursuant to the terms of this Declaration shall not be effective except with the approval of the Holders of at least a Majority in Liquidation Amount of the Securities, voting together as a single class; provided that if any amendment or proposal referred to in clause (A) above would materially adversely affect only the Preferred Securities or the Common Securities, then only the affected class will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the approval of a Majority in Liquidation Amount of the class of Securities affected thereby; and (ii) any amendment that would (A) change the amount or timing of any distribution of the Securities or otherwise adversely affect the amount of any distribution require to be made in respect of the Securities as of a specified date or (B) restrict the right of a Holder of Securities to institute suit for the enforcement of an such payment on or after such date shall not be effective except with the approval of each Holder of Securities affected thereby.

(d) This Section 11.1 shall not be amended without the consent of all of the Holders of the Securities.

(e) Article 4 shall not be amended without the consent of the Holders of the Common Securities.

(f) The rights of the Holders of the Common Securities under Articles 6 and 7 to increase or decrease the number of, and appoint and remove, Trustees shall not be amended without the consent of the Holders of the Common Securities.

(g) Notwithstanding Section 11.1(c), this Declaration may be amended without the consent of the Holders of the Securities, provided that such amendment does not have a material adverse effect on the rights, preferences or privileges of the Holders of the Securities:

(i) to cure any ambiguity;

(ii) to correct or supplement any provision in this Declaration that may be defective or inconsistent with any other provision of this Declaration;

(iii) to add to the covenants, restrictions or obligations of the Sponsor;

(iv) to conform to any change in Rule 3a-5 or written change in interpretation or application of Rule 3a-5 by any legislative body, court, government agency or regulatory authority;

(v) to modify, eliminate and add to any provision of this Declaration to ensure that the Trust will be classified as a grantor trust for United States federal income tax purposes at all times that any Securities are outstanding or to ensure that the Trust will not be required to register as an Investment Company under the Investment Company Act; provided that such modification, elimination or addition would not adversely affect in any material respect the rights, privileges or preferences of any Holder of Securities; or

(vi) to facilitate the tendering, remarketing and settlement of the Preferred Securities as contemplated by Section 7.13(n).

SECTION 11.2 Meetings of the Holders of the Securities; Action by

Written Consent.

(a) Meetings of the Holders of any class of Securities may be called at any time by the Regular Trustees (or as provided in the terms of the Securities) to consider and act on any matter on which Holders of such class of Securities are entitled to act under the terms of this Declaration, the terms of the Securities or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading. The Regular Trustees shall call a meeting of the Holders of such class if directed to do so by the Holders of at least 10% in Liquidation Amount of such class of Securities. Such direction shall be given by delivering to the Regular Trustees a writing stating that the signing Holders of the Securities wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called. The Holder or Holders of the Securities calling a meeting shall specify in writing the Securities held by such Holder or Holders, and only those Securities specified shall be counted for purposes of determining whether the required percentage set forth in the second sentence of this paragraph has been met..

(b) Except to the extent otherwise provided in the terms of the Securities, the following provisions shall apply to meetings of the Holders of the Securities:

(i) Notice of any such meeting shall be given to all the Holders of the Securities having a right to vote thereat at least seven days and not more than 60 days before the date of such meeting. Whenever a vote, consent or approval of the Holders of the Securities is permitted or required under this Declaration or the rules of any stock exchange on which the Preferred Securities are listed or

admitted for trading, such vote, consent or approval may be given at a meeting of the Holders of the Securities. Any action that may be taken at a meeting of the Holders of the Securities may be taken without a meeting and without prior notice if a consent in writing setting forth the action so taken is signed by the Holders of the Securities owning not less than the minimum amount of Securities in liquidation amount that would be necessary to authorize or take such action at a meeting at which all Holders of the Securities having a right to vote thereon were present and voting. Prompt notice of the taking of action without a meeting shall be given to the Holders of the Securities entitled to vote who have not consented in writing. The Regular Trustees may specify that any written ballot submitted to the Holders of the Securities for the purpose of taking any action without a meeting shall be returned to the Trust within the time specified by the Regular Trustees.

(ii) Each Holder of the Securities may authorize any Person to act for it by proxy on any or all matters in which such Holder is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Holder of Securities executing such proxy. Except as otherwise provided herein, all matters relating to the giving, voting or validity of proxies shall be governed by the General Corporation Law of the State of Delaware relating to proxies, and judicial interpretations thereunder, as if the Trust were a Delaware corporation and the Holders of the Securities were stockholders of a Delaware corporation.

(iii) Each meeting of the Holders of the Securities shall be conducted by the Regular Trustees or by such other Person that the Regular Trustees may designate.

(iv) Unless the Business Trust Act, this Declaration, the terms of the Securities, the Trust Indenture Act or the listing rules of any stock exchange on which the Preferred Securities are then listed for trading otherwise provides, the Regular Trustees, in their sole discretion, shall establish all other provisions relating to meetings of Holders of the Securities, including notice of the time, place or purpose of any meeting at which any matter is to be voted on by any Holders of the Securities, waiver of any such notice, action by consent without a meeting without prior notice, the establishment of a record date, quorum requirements, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote.

#### ARTICLE 12: REPRESENTATIONS OF THE PROPERTY TRUSTEE AND THE DELAWARE TRUSTEE

SECTION 12.1 Representations and Warranties of the Property Trustee. The initial Property Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Property Trustee represents and warrants to



the Trust and the Sponsor at the time of such Successor Property Trustee's acceptance of its appointment as Property Trustee, that:

(a) the Property Trustee is a corporation or national banking association duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with trust power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration;

(b) the Property Trustee satisfies the requirements set forth in Section 6.3(a);

(c) the execution, delivery and performance by the Property Trustee of this Declaration have been duly authorized by all necessary corporate action on the part of the Property Trustee; this Declaration has been duly executed and delivered by the Property Trustee, and it constitutes a legal, valid and binding obligation of the Property Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law);

(d) the execution, delivery and performance of this Declaration by the Property Trustee do not conflict with, nor constitute a breach of, the articles of association or incorporation, as the case may be, or the by-laws (or other similar organizational documents) of the Property Trustee; and

(e) no consent, approval or authorization of, or registration with or notice to, any state or federal banking authority is required for the execution delivery or performance by the Property Trustee of this Declaration.

SECTION 12.2 Representations and Warranties of the Delaware Trustee. The initial Delaware Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Delaware Trustee represents and warrants to the Trust and the Sponsor at the time of such Successor Delaware Trustee's acceptance of its appointment as Delaware Trustee, that:

(a) the Delaware Trustee satisfies the requirements set forth in Section 6.2 and has the power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration and, if it is not a natural person, is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;

(b) the Delaware Trustee has been authorized to perform its obligations under the Certificate of Trust and this Declaration; and this Declaration constitutes a legal, valid and binding obligation of the Delaware Trustee under Delaware law, enforceable against it in accordance with its terms subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of

whether the enforcement of such remedies is considered in a proceeding in equity or at law) and

(c) no consent, approval or authorization of, or registration with or notice to, any state or federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of this Declaration.

#### ARTICLE 13: MISCELLANEOUS

SECTION 13.1 Notices. All notices provided for in this Declaration shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(a) if given to the Trust, in care of the Regular Trustees at the Trust's mailing address set forth below (or such other address as the Trust may give notice of to the Property Trustee, the Delaware Trustee and the Holders of the Securities):

RC Trust I  
141 Spring Street  
Lexington, Massachusetts 02421  
Attention: Richard A. Goglia  
Telephone No: (781) 862-6600  
Fax No: (781) 860-2341

(b) if given to the Delaware Trustee, at the mailing address set forth below (or such other address as the Delaware Trustee may give notice of to the Regular Trustees, the Property Trustee and the Holders of the Securities):

The Bank of New York (Delaware)  
White Clay Center  
Route 273  
Newark, Delaware 19711  
Attention: Corporate Trust Administration  
Telephone No: (800) 539-9606  
Fax No: (302) 283-8284

(c) if given to the Property Trustee, at its Corporate Trust Office (telephone no. 212-815-6285 and fax no. 212-815-5915 (or such other address as the Property Trustee may give notice of to the Regular Trustees, the Delaware Trustee and the Holders of the Securities);

(d) if given to the Holders of the Common Securities, at the mailing address of the Sponsor set forth below (or such other address as the Holders of the Common Securities may give notice of to the Property Trustee, the Delaware Trustee and the Trust):

Raytheon Company  
141 Spring Street  
Lexington, Massachusetts 02421  
Attention: Corporate Secretary  
Telephone No: (781) 862-6600  
Fax No: (781) 860-3899

(e) if given to any Holder of Preferred Securities, at such Holder's address as set forth in the register of the Trust.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed or mailed by first class mail, postage prepaid, except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 13.2 Governing Law. This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws.

SECTION 13.3 Intention of the Parties. It is the intention of the parties hereto that the Trust be classified for United States federal income tax purposes as a grantor trust. The provisions of this Declaration shall be interpreted in a manner consistent with such classification.

SECTION 13.4 Headings. The headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 13.5 Successors and Assigns. Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed.

SECTION 13.6 Partial Enforceability. If any provision of this Declaration or the application of such provision to any Person or circumstance is held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 13.7 Counterparts. This Declaration may contain more than one counterpart of the signature page, and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the day and year first above written.

RAYTHEON COMPANY,  
as Sponsor, Subordinated Notes Issuer and  
Common Securities Holder

By: /s/ Richard A. Goglia

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Name: Richard A. Goglia  
Title: Vice President and Treasurer

THE BANK OF NEW YORK,  
as Property Trustee

By: /s/ Kisha A. Holder

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Name: Kisha A. Holder  
Title: Assistant Treasurer

THE BANK OF NEW YORK (DELAWARE),  
as Delaware Trustee

By: /s/ James Longshaw

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Name: James Longshaw  
Title: Senior Vice President

/s/ Richard A. Goglia

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Richard A. Goglia, as Regular Trustee

/s/ Franklyn A. Caine

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Franklyn A. Caine, as Regular Trustee

/s/ Thomas D. Hyde

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Thomas D. Hyde, as Regular Trustee

[Signature page for Amended and Restated Declaration of Trust of RC Trust I]

EXHIBIT A

[IF THE PREFERRED SECURITY IS TO BE A GLOBAL SECURITY, INSERT THE FOLLOWING: This Preferred Security is a Global Security within the meaning of the Amended and Restated Declaration of Trust of RC TRUST I hereinafter referred to and is registered in the name of The Depository Trust Company, a New York corporation (the "Depository"), or a nominee of the Depository. This Preferred Security is exchangeable for Preferred Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Declaration, and no transfer of this Preferred Security (other than a transfer of this Preferred Security as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered, except in limited circumstances.

Unless this Preferred Security Certificate is presented by an authorized representative of the Depository to the issuer or its agent for registration of transfer, exchange or payment, and any Preferred Security Certificate issued is registered in the name of Cede & Co. or such other name as registered by an authorized representative of the Depository (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depository), and except as otherwise provided in the Amended and Restated Declaration of Trust of RC Trust I dated as of May 9, 2001, 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.]

Certificate No. \_\_\_\_\_ Number of Preferred Securities: \_\_\_\_\_  
CUSIP No. \_\_\_\_\_ Aggregate Liquidation Amount: \$ \_\_\_\_\_

Certificate Evidencing Preferred Securities  
of  
RC Trust I  
Preferred Securities  
(liquidation amount \$50 per Preferred Security)

RC Trust I, a statutory business trust created under the laws of the State of Delaware (the "Trust"), hereby certifies that Cede & Co. (the "Holder") is the registered owner of \_\_\_ preferred securities of the Trust representing undivided beneficial interests in the assets of the Trust designated the Preferred Securities (liquidation amount \$50 per Preferred Security) (the "Preferred Securities"). The Preferred Securities are transferable on the register of the Trust, in person or by a duly authorized attorney, upon surrender of

this certificate duly endorsed and in proper form for transfer as provided in the Declaration (as defined below). The designation rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities represented hereby are issued and shall in all respect be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust, dated as of May 9, 2001 (as the same may be amended from time to time (the "Declaration")), among Raytheon Company, as Sponsor, Richard A. Goglia, Franklyn A. Caine and Thomas D. Hyde, as Regular Trustees, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the holders from time to time, of undivided beneficial ownership interests in the assets of the Trust. Capitalized terms used herein but not defined shall have the meaning given them in the Declaration. The Holder is entitled to the benefits of the Guarantee Agreement, dated as of May 9, 2001, as the same may be amended from time to time, of Raytheon Company, in respect of the Preferred Securities. The Sponsor will provide a copy of the Declaration, the Guarantee and the Indenture to a Holder without charge upon written request to the Sponsor at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the terms of the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat, for United States federal income tax purposes, the Subordinated Notes as indebtedness of the Sponsor and the Preferred Securities as evidence of undivided beneficial ownership interests in the Subordinated Notes.

IN WITNESS WHEREOF, the Trust has executed this certificate this 9th day of May, 2001.

RC TRUST I

By:

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Richard A. Goglia, as Regular Trustee

This is one of the Securities referred to in the within-mentioned Declaration.

THE BANK OF NEW YORK, as  
Property Trustee

By:

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Title:

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EXHIBIT B

THIS CERTIFICATE IS NOT TRANSFERABLE EXCEPT AS PROVIDED IN THE DECLARATION  
(AS DEFINED BELOW)

Certificate No. \_\_\_\_\_ Number of Common Securities: \_\_\_\_\_  
Aggregate Liquidation Amount: \$ \_\_\_\_\_

Certificate Evidencing Common Securities  
of  
RC Trust I

Common Securities  
(liquidation amount \$50 per Common Security)

RC Trust I, a statutory business trust created under the laws of the State of Delaware (the "Trust"), hereby certifies that \_\_\_\_\_ (the "Holder") is the registered owner of \_\_\_\_\_ common securities of the Trust representing an undivided beneficial interest in the assets of the Trust designated the Common Securities (liquidation amount \$50 per Common Security) (the "Common Securities"). Except as provided in the Declaration (as defined below), the Common Securities are not transferable, and any attempted transfer thereof shall be void. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust, dated as of May 9, 2001, (as the same may be amended from time to time, the "Declaration"), among Raytheon Company, as Sponsor, Richard A. Goglia, Franklyn A. Caine and Thomas D. Hyde, as Regular Trustees, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the holders, from time to time, of undivided beneficial ownership interests in the assets of the Trust. The Sponsor will provide a copy of the Declaration and the Indenture to the Holder without charge upon written request to the Sponsor at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the terms of the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat, for United States federal income tax purposes, the Subordinated Notes as indebtedness of the Sponsor and the Common Securities as evidence of an undivided beneficial ownership interest in the Subordinated Notes.

IN WITNESS WHEREOF, the Trust has executed this certificate this 9th day of May, 2001.

RC TRUST I

By:

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Richard A. Goglia, as Regular Trustee

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SECOND SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of May 9, 2001, between RAYTHEON COMPANY, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Trustee").

WHEREAS the Company has executed and delivered to the Trustee an Indenture dated as of July 3, 1995, providing for the issuance and sale by the Company from time to time of its subordinated debt securities (the "Securities"), which term shall include any Securities issued under the Indenture (as defined below) after the date hereof;

WHEREAS Section 9.01 of the Indenture permits the Company, when authorized by a resolution of the Board of Directors of the Company, and the Trustee, at any time and from time to time, to enter into one or more indentures supplemental to the Indenture, in form satisfactory to the Trustee, for the purpose of establishing any form of Security, as provided in Article Two of the Indenture, providing for the issuance of any series of Securities, as provided in Article Three of the Indenture and/or adding to the rights of the Holders of the Securities of any series;

WHEREAS the Company proposes in and by this Supplemental Indenture to supplement and amend the Indenture in certain respects to establish a series of Securities issued pursuant to the Indenture designated as the "7.00% Subordinated Notes due 2006" in initial principal amount of \$889,175,300; and

WHEREAS the Company has requested that the Trustee execute and deliver this Supplemental Indenture and has certified that all requirements necessary to make this Supplemental Indenture a valid instrument in accordance with its terms have been satisfied, and that the execution and delivery of this Supplemental Indenture has been duly authorized in all respects;

WHEREAS, the Company has offered to the public 17,250,000 of its 8.25% Equity Security Units (the "Units"), each of which consist of one stock purchase contract under which the Unit holders have agreed to purchase from the Company, and the Company has agreed to sell such holders, a certain number of shares of its Common Stock (as defined below), at a price of \$50, and one preferred security of RC Trust I, a Delaware business trust (the "Trust"), as set forth in the Stock Purchase Agreement, and the Company has agreed to issue and exchange the Notes for the common securities (the "Common Securities") and the preferred securities (the "Preferred Securities" and, together with the Common Securities, the "Trust Securities"), in each case, of the Trust, representing undivided beneficial interests in the assets of the Trust.

NOW THEREFORE, the Company and the Trustee hereby agree that the following sections of this Supplemental Indenture supplement and amend the Indenture with respect to the Notes (as defined below):

SECTION 3. Definitions. (a) Capitalized terms used herein and not defined herein have the meanings ascribed to such terms in the Indenture.

(a) Section 1.01 of Article One of the Indenture is hereby, solely with respect to the Notes, supplemented to add or, where a definition for a term already exists, amended by replacement with, the following definitions:

"Business Day" means any day that is not a Saturday, Sunday or day on which banking institutions and trust companies in The City of New York, the Commonwealth of Massachusetts or at a place of payment are authorized or required by law, regulation or executive order to close.

"Common Stock" means the Class B common stock, par value \$.01 per share, of the Company as such class may be reclassified, with the Class A common stock, par value \$.01 per share, of the Company into one new class of common stock of the Company as set forth in the in the prospectus contained in the Company's and the Trust's Registration Statement on Form S-3 filed April 6, 2001 under "Description of Our Class A and Class B Common Stock - Reverse/Forward Stock Split" and "--Reclassification of our Existing Two Classes of Common Stock into a Single New Class of Common Stock."

"Declaration" means the Amended and Restated Declaration of Trust, dated as of May 9, 2001, of RC Trust I among the Company, as Sponsor, the trustees named therein, and the holders from time to time of undivided beneficial ownership interests in the assets of the Trust.

"Direct Action" has the meaning specified in Section 6(b).

"Guarantee Event of Default" shall have the meaning specified in the Guarantee.

"Indenture" means the Indenture dated as of July 3, 1995, between the Company and the Trustee, as supplemented and amended by this Supplemental Indenture.

"Purchase Contract" shall have the meaning specified in the Purchase Contract Agreement.

"Purchase Contract Agreement" means the Purchase Contract Agreement dated as of May 9, 2001 between the Company and The Bank of New York, as Purchase Contract Agent.

"Remarketing" means (i) as long as the Trust has not been liquidated, the operation of the procedures for remarketing specified in Section 7.13 of the Declaration and (ii) if the Trust has been liquidated, the operation of the procedures for remarketing specified in Section 5.2 of the Purchase Contract Agreement.

"Remarketing Agent" shall mean a nationally recognized investment banking firm selected by the Company.

(b) the following terms have the meanings given to them in the Declaration: (i) Delaware Trustee; (ii) Failed Remarketing; (iii) Guarantee; (iv) Majority in Liquidation Amount; (v) Preferred Security Certificate; (vi) Property Trustee; (vii) Redemption Amount; (viii) Regular Trustees; (ix) Remarketing Date; (x) Reset Rate; (xi) Tax Event; (xii) Tax Event Redemption; (xiii) Tax Event Redemption Date; (xiv) Trust and (xv) Underwriting Agreement;

SECTION 4. Creation of the Notes. Pursuant to Section 3.01 of the

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Indenture, there are hereby created a new series of Securities designated as the "7.00 % Subordinated Notes due 2006" in initial principal amount of \$889,175,300 (the "Notes") which amount to be issued shall be as set forth in any written order of the Company for the authentication and delivery of Notes pursuant to the Indenture. The aggregate principal amount of the Notes of the series created hereby which may be authenticated and delivered under the Indenture shall not, except as permitted by the provisions of the Indenture, exceed \$889,175,300. The Notes shall be initially issued in certificated form to the Property Trustee, in trust for the benefit of the Trust and the holders of the Trust Securities (the "Initial Notes"). The denominations in which Notes shall be issuable is \$50 and integral multiples thereof. Payments of principal and the redemption price, if any, and interest on the Notes shall be payable to the registered holder of the Notes, which shall initially be the Property Trustee, in trust for the benefit of the Trust and the holders of the Trust Securities, except upon a dissolution of the Trust and a distribution of the assets of the Trust pursuant to Section 8.2 of the Declaration and Section 6.2 of the Pledge Agreement.

SECTION 5. Amendments to Article Two. (a) Sections 2.02 and 2.03

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of Article Two of the Indenture are hereby amended, solely with respect to the Notes, by replacing them in their entirety with the following:

"Section 2.02. Form of Notes. The Notes shall be substantially in

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the form annexed hereto as Exhibit A, which is hereby incorporated in and expressly made a part of this Indenture. The terms and provisions contained in the forms 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.

Section 2.03. [Not Applicable]"

(b) Article Two of the Indenture is hereby supplemented and amended, solely with respect to the Notes, by adding thereto at the end thereof the following new Sections 2.06, 2.07, 2.08, 2.09, 2.10, 2.11, and 2.12:

"Section 2.06. Maturity. Unless a Tax Event Redemption occurs, the

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entire principal amount of the Notes will mature and become due and payable together with any accrued and unpaid interest thereon, including compound interest, if any, on May 15, 2006 (the "Maturity Date")."

"Section 2.07. Global Notes. If distributed to holders of

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Preferred Securities in connection with the involuntary or voluntary liquidation and dissolution of the Trust:

(i) If the Preferred Securities are held in book-entry form, the Initial Notes may be presented to the Trustee by the Property Trustee in exchange for a Global Security in the form of Exhibit A in an aggregate principal amount equal to all Outstanding Notes (a "Global Note"). The Depositary for the Global Note will be The Depositary Trust Company, as depositary (the "Depositary"). The Global Note will be registered in the name of the Depositary or its nominee, Cede & Co., and delivered by the Trustee to the Depositary or a custodian appointed by the Depositary for crediting to the accounts of its participants pursuant to the instructions of the Property Trustee. The Company upon any such presentation shall execute a Global Note in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery in accordance with the Indenture and this First Supplemental Indenture. Payments on the Notes issued as a Global Note will be made to the Depositary or its nominee.

(ii) If any Preferred Securities are held in non book-entry certificated form ("Non Book-Entry Preferred Securities"), the Initial Notes may be presented to the Trustee by the Property Trustee, and such Non Book-Entry Preferred Securities will be deemed to represent beneficial interests in Notes presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate liquidation amount of the Non Book-Entry Preferred Securities until the Preferred Security Certificates representing such Non Book-Entry Preferred Securities are presented to the Security Registrar for transfer or reissuance, at which time such Preferred Security Certificates will be canceled and a Note registered in the name of the holder of the Preferred Security Certificate or the transferee of the holder of such Preferred Security Certificate, as the case may be, with an aggregate principal amount equal to the aggregate liquidation amount of the Preferred Security Certificate canceled will be executed by the Company and delivered to the Trustee for authentication and delivery in accordance with the Indenture and this First Supplemental Indenture. On issue of such Notes, Notes with an equivalent aggregate principal amount that were presented by the Property Trustee to the Trustee will be deemed to have been canceled.

(iii) Unless and until it is exchanged for the Notes in registered form, a Global Note may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Company or to a nominee of such successor Depositary.

(iv) If (a) at any time the Depositary for Global Notes notifies the Company that it is unwilling or unable to continue as Depositary for such Global Notes or if at any time the Depositary for such Global Notes shall no longer be a clearing agency registered or in good standing under the Exchange Act or other applicable statute or regulation, and a successor Depositary for such Global Notes is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, or (b) the Company determines in its sole discretion that the

Notes shall no longer be represented by one or more Global Notes and delivers to the Trustee an Officers' Certificate evidencing such determination, then the Company will execute and the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver Notes of like tenor in definitive registered form, in authorized denominations, and in aggregate principal amount equal to the principal amount of the Global Notes in exchange for such Global Notes. Upon the exchange of Global Notes for such Notes in definitive registered form without coupons, in authorized denominations, the Global Notes shall be canceled by the Trustee. Such Notes in definitive registered form issued in exchange for Global Notes pursuant to this Section shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall make available for delivery such Notes to the Persons in whose names such Notes are so registered.

"Section 2.08. Interest. (a) Each Note will bear interest at the

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rate of 7.00% per annum from May 9, 2001 until February 15, 2004, and at the Reset Rate thereafter, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing August 15, 2001 (each an "Interest Payment Date").

(b) The Regular Record Dates for the payment of interest on the Notes on any Interest Payment Date, shall be (i) as long as the Notes are represented by a Global Note or the Initial Notes, the Business Day preceding each Interest Payment Date or (ii) if the Notes are issued pursuant to Section 2.07(ii) above, on the date chosen by the Company, provided that any such date shall be more than one but less than 60 Business Days prior to each Interest Payment Date.

(c) The interest rate on the Notes outstanding on and after the Remarketing Date will be reset on the third Business Day immediately preceding February 14, 2004, to the Reset Rate; provided, however, if there has been a Failed Remarketing, the interest rate shall not be reset unless and until there has been a successful Remarketing in accordance with Section 5.2 of the Purchase Contract Agreement.

(d) The amount of interest payable on the Notes for any period will be computed (i) for any full quarterly period on the basis of a 360-day year of twelve 30-day months and (ii) for any period shorter than a full quarterly period, on the basis of a 30-day month and, for any period less than a month, on the basis of the actual number of days elapsed per 30-day month. In the event that any date on which interest is payable on the Notes is not a Business Day, then payment of the interest payable on such date will be made on the next day that is a Business Day (and without interest or other payment in respect of any such delay), except that, if such Business Day is in the next calendar year, then such payment will be made on the preceding Business Day."

"Section 2.09. Redemption. (a) If a Tax Event occurs and is

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continuing, the Company may, at its option, redeem the Notes in whole (but not in part), at a price equal to, for each Note, the Redemption Amount, plus accrued and unpaid interest thereon to the Tax Event

Redemption Date. The aggregate Redemption Amount, plus the aggregate accrued and unpaid interest, shall be paid prior to 12:00 noon, New York City time, on the Tax Event Redemption Date or such earlier time as the Company determines, provided that the Company shall have deposited with the Trustee an amount sufficient to pay the aggregate Redemption Price by 10:00 a.m. on the Tax Event Redemption Date."

(b) Except as provided in Section 2.09(a), the Company will have no right to redeem the Notes.

(c) The Notes will not be subject to a sinking fund provision."

"Section 2.10. Paying Agent; Security Registrar. If the Notes

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are issued in certificated form, the Paying Agent and the Security Registrar for the Notes shall be the Property Trustee."

"Section 2.11. Extension of Interest Payment Period. (a) The Company

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shall have the right, at any time and from time to time, to defer payments of interest by extending the interest payment period of the Notes for a period (the "Extension Period") not exceeding the Maturity Date (the "Maximum Deferral Period"), during which Extension Period no interest shall be due and payable, provided, however that any Extension Period may not extend beyond the Maturity Date and must end on an Interest Payment Date. Prior to the expiration of any Extension Period, the Company may further extend such period, provided that such period together with all such previous and further extensions thereof shall not exceed the Maximum Deferral Period or extend beyond the Maturity Date and must end on an Interest Payment Date. To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 2.11, will bear interest thereon at the rate of 7.00% compounded quarterly for each quarter of the Extension Period ("Compounded Interest"). At the end of the Extension Period, the Company shall pay all interest accrued and unpaid on the Notes and Compounded Interest (together, "Deferred Interest") that shall be payable to the Holders of the Notes in whose names the Notes are registered in the Security Register on the first Regular Record Date after the end of the Extension Period. Upon termination of any Extension Period and the payment of all Deferred Interest then due, the Company may commence a new Extension Period, subject to the foregoing requirements. No interest shall be due and payable during an Extension Period except at the end thereof, but the Company, at its option, may prepay on any Interest Payment Date all or any portion of the interest accrued during the then elapsed portion of an Extension Period.

(b) The Company shall give written notice to the Trustee of its election of any Extension Period (or any further extension thereof) at least five Business Days before the earlier of (i) the date the interest on the Notes would have been payable except for the election to begin or extend the Extension Period; (ii) the date the Trustee is required to give notice to any securities exchange or to Holders of Notes of the Record Date or the Interest Payment Date, and (iii) the Record Date."

"Section 2.12. Expenses. In connection with the issuance of the

Notes to the Trust in exchange for the Preferred Securities and Common Securities by the Trust, the Company will:

(a) pay for all costs and expenses relating to the issuance and exchange of the Notes, including compensation of the Trustee under the Indenture in accordance with the provisions of Section 6.07 of the Indenture; and

(b) pay for all costs and expenses of the Trust, including, but not limited to, costs and expenses relating to the organization of the Trust, the issuance and exchange of the Trust Securities; the fees and expenses of the Property Trustee (including, without limitation, those incurred in connection with the enforcement by the Property Trustee of the rights of the holders of the Preferred Securities), the Delaware Trustee and the Regular Trustees; the costs and expenses relating to the operation of the Trust (including, without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses); and costs and expenses incurred in connection with the acquisition, financing and disposition of Trust assets;

(c) be primarily liable for any indemnification obligations arising with respect to the Declaration; and

(d) pay any and all taxes (other than United States withholding taxes attributable to the Trust or its assets) and all liabilities, costs and expenses with respect to such taxes of the Trust."

SECTION 6. Amendments to Article Ten. Article Ten of the Indenture

is hereby supplemented and amended, solely with respect to the Notes, by adding thereto at the end thereof the following new Sections 10.09 and 10.10:

"Section 10.09. Additional Covenants Relating to the Notes. If an

Event of Default occurs, or there has occurred a Guarantee Event of Default, or an Extension Period as contemplated by Section 2.11 has commenced and is continuing, then the Company may not:

(a) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Company's capital stock other than stock dividends which consist of stock of the same class as that on which the dividends are being paid;

(b) make any payment of principal, or premium, if any, on or interest on or repay, repurchase or redeem any debt securities that rank on a parity with or junior in interest to the Notes, except, in the case of an Extension Period, payments as contemplated herein;

(c) make any guarantee payments with respect to any guarantee by the Company of the debt securities of any subsidiary of the Company, including any guarantees to be

issued by the Company with respect to debt of other trusts or entities similar to the Trust, if such guarantee ranks on a parity with or junior in interest to the Notes, except, in the case of Extension Period, payments as contemplated herein;

(d) Notwithstanding anything to the contrary contained herein, nothing contained herein shall be deemed to limit the ability of the Company to:

- (i) make payments of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank senior in interest to the Notes and to make guarantee payments with respect to any guarantee by the Company of the debt of any subsidiary of the Company if such guarantee ranks senior in interest to the subordinated notes; (ii) declare or pay any dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, the Company's Capital stock;
- (iii) declare or pay any dividend in connection with any stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto;
- (iv) make any payments under the Guarantee;
- (v) effect any reclassification of the Company's capital stock, or any exchange or conversion of one class of the Company's capital stock for another class or series of the Company's capital stock, including, the reverse stock split and reclassification of the Company's class A common stock and class B common stock of common stock as described under "Description of Our Class A and Class B Common Reverse/Forward Stock Split" and "--Reclassification of Our Existing Two Classes of Stock into a Single New Class of Common Stock" in the prospectus contained in the Company's and the Trust's Registration Statement on Form S-3 filed April 6, 2001);
- (vi) purchase fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged; or
- (vii) purchases or acquisitions of capital stock of the Company in connection with the satisfaction by the Company of its obligations under any employee benefit plans or any other contract (including severance arrangements) or security outstanding (other than a contract or security ranking expressly by its terms on parity with or junior to the Notes)."

"Section 10.10. Additional Covenants Relating to the Trust. For

-----  
as long as the Preferred Securities remain outstanding, the Company will:



(a) maintain, directly or indirectly, 100% ownership of the Common Securities, provided that any permitted successor may succeed to the Company's ownership of the Common Securities;

(b) use its best efforts to cause the Trust:

- (i) to remain a statutory business trust under the Delaware Business Trust Act; and
- (ii) to otherwise continue to be classified as a grantor trust for United States federal income tax purposes and
- (iii) not to cause, as sponsor of the Trust, or to permit, as the holder of Common Securities, the dissolution, liquidation, or winding-up of the Trust, except as permitted by the Declaration.

#### SECTION 7. Rights of Holders of Preferred Securities

(a) Preferred Security Holders' Rights. Notwithstanding Section 5.07

of the Indenture, if the Property Trustee fails to enforce its rights under the Notes after a holder of Preferred Securities has made a written request, the holder of Preferred Securities may, to the fullest extent permitted by law, institute a legal proceeding directly against the Company to enforce the Property Trustee's rights under the Indenture without first instituting any legal proceeding against the Property Trustee or any other Person.

(b) Direct Action. Notwithstanding any other provision of the

Indenture, for as long as any Preferred Securities remain outstanding, to the fullest extent permitted by law, if an Event of Default has occurred and is continuing and such event is attributable to the failure of the Company to pay interest or principal on the Notes on the date such interest or principal is otherwise payable (or in the case of redemption, the redemption date), then a holder of Preferred Securities may institute a proceeding directly against the Company (a "Direct Action") to enforce payment to such holder of the principal or interest on Notes having an aggregate principal amount equal to the aggregate liquidation amount of the Preferred Securities of such holder.

(c) Payments Pursuant to Direct Actions. The Company will have the

right to set off against its obligations to the Trust, as Holder of the Notes, any payment made to a holder of Preferred Securities in connection with a Direct Action.

(d) Modifications. So long as any Preferred Securities remain

outstanding, (i) no amendment to this Indenture shall be made that adversely affects the holders of the Preferred Securities in any material respect, and no termination of this Indenture shall occur, and no waiver of any Event of Default or compliance with any covenant under this Indenture shall be effective, without the prior consent of the holders of at least a Majority in Liquidation Amount (as defined in the Declaration) of the Preferred Securities then outstanding unless and until the principal of (and premium, if any, on) the Notes and all accrued and unpaid interest thereon have been paid in full, and (ii) no amendment shall be made to this Article VI of this First Supplemental Indenture

that would impair the rights of the holders of the Preferred Securities without the prior consent of the holders of each Preferred Security then outstanding unless and until the principal of (and premium, if any, on) the Notes and all accrued and unpaid interest, including thereon have been paid in full.

SECTION 8. Remarketing. Upon a distribution of the Notes upon the  
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liquidation and dissolution of the Trust which occurs prior to the Remarketing of the Preferred Securities pursuant to the Declaration, the Notes shall be Remarketed in accordance with the Remarketing procedures of the Declaration where all references in the Remarketing procedures to Preferred Securities shall be read as references to the Notes, unless the context requires otherwise. Until such a distribution, or if such distribution occurs after the Remarketing of the Preferred Securities pursuant to the Declaration, this Section 8 will have no effect.

SECTION 9. This Supplemental Indenture. This Supplemental Indenture  
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and the Exhibits hereto shall be construed as supplemental to the Indenture and shall form a part of it, and the Indenture is hereby incorporated by reference herein and each is hereby ratified, approved and confirmed.

SECTION 10. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE  
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GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

SECTION 11. Counterparts. This Supplemental Indenture may be  
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executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one instrument.

SECTION 12. Headings. The headings of this Supplemental Indenture  
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are for reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 13. Trustee Not Responsible for Recitals. The recitals  
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herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture.

SECTION 14. Separability. In case any one or more of the provisions  
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contained in this Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of the Supplemental Indenture or of the Notes, but this Supplemental Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by their respective authorized officers as of the date first written above.

RAYTHEON COMPANY

By:

/s/ Richard A. Goglia

-----  
Name:Richard A. Goglia

Title: Vice President & Treasurer

THE BANK OF NEW YORK, as trustee,

By:/s/ Kisha Holder

-----  
Name:Kisha Holder

Title: Assistant Treasurer

EXHIBIT A

[FORM OF FACE OF NOTE]

This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a depository or a nominee of a depository. This Global Security is exchangeable for securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances hereinafter described and may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor of the Depository or a nominee of such successor.

REGISTERED

RAYTHEON COMPANY

7.00 % SUBORDINATED NOTE DUE 2006

No. \_\_\_\_\_

\$ \_\_\_\_\_

RAYTHEON COMPANY, a corporation duly organized and existing under the laws of Delaware (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay RC Trust I, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on May 15, 2006, and to pay interest on said principal sum from May 9, 2001, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly in arrears on February 15, May 15, August 15 and November 15 of each year (an "Interest Payment Date") commencing August 15, 2001, at the rate of 7.00% per annum until February 15, 2004, and at the Reset Rate thereafter, until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum compounded quarterly. Any deferred interest shall accrue interest at the rate set forth in the Second Supplemental Indenture. The amount of interest payable for any period will be computed (1) for any full quarterly period on the basis of a 360-day year of twelve 30-day months and (2) for any period shorter than a full quarterly period, on the basis of a 30-day month and, for any period less than a month, on the basis of the actual number of days elapsed per 30-day month. In the event that any date on which interest is payable is not a Business Day, then payment of the interest payable on such date will be made on the next day that is a Business Day (and without any interest or other payment in respect of such delay), except that, if such Business Day is in the next calendar year, then such payment will be made on the preceding

Business Day. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, referred to on the reverse side hereof, be paid to the Holder in whose name this Security (or one or more Predecessor Securities, as defined in said Indenture) is registered at the close of business on the Regular Record Date for such interest installment, which, shall be the close of business on the Business Day preceding such Interest Payment Date. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date, and may be paid to the Holder in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date to be fixed by the Trustee referred to on the reverse side hereof for the payment of such defaulted interest, notice whereof shall be given to the Holders of the Security not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Security may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Payment of the principal of and premium, if any, and interest on this Security will be made at the office or agency of the Trustee maintained for that purpose in such coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts. The Company may pay principal and interest by check payable in such money mailed to the Holder's registered address or by wire transfer to a dollar account designated by the Holder.

Interest on the Securities is deferrable in accordance with the terms of the First Supplemental Indenture.

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes.

Unless the Certificate of Authentication hereon has been executed by or on behalf of the Trustee, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose. The provisions of this Security are continued on the reverse side hereof, and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

RAYTHEON COMPANY

By:    /s/  
-----  
      Name:  
      Title:

Attest:  
  
-----

Dated:

Trustee's Authentication  
This is one of the Notes referred to in the Indenture.

THE BANK OF NEW YORK

By:  
-----  
- -----Name:  
      Title: Authorized Signatory

(FORM OF REVERSE OF NOTE)

RAYTHEON COMPANY

7.00% SUBORDINATED NOTE DUE 2006

This Note is one of a duly authorized series of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of July 3, 1995, as amended and supplemented (as amended and supplemented, the "Indenture"), between the Company and The Bank of New York as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to \$889,175,300.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Security is not subject to any sinking fund, nor may this Security be redeemed at the option of the Company prior to the Maturity Date except upon the occurrence of a Tax Event as described below.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security upon compliance by the Company with certain conditions set forth therein.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

If a Tax Event occurs and is continuing, the Company may, at its option, redeem the Securities in whole (but not in part) at the Redemption Price. The Redemption Price shall be paid prior to 12:00 noon, New York City time, on the Tax Event Redemption Date, by check or wire transfer in immediately available funds at such place and to such account as may be designated by each such Holder.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities at the time of all series to be affected (voting as a class). The Indenture also contains provisions permitting the Holders of a majority in aggregate princi-

pal amount of the Outstanding Securities of each series at the time, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest, if any, on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

This Security shall be exchangeable for Securities registered in the names of Persons other than the Depositary with respect to such series or its nominee only as provided in this paragraph. This Security shall be so exchangeable if (x) the Depositary is at any time unwilling or unable to continue as Depositary for such series, (y) the Company executes and delivers to the Trustee a Company Order providing that this Security shall be so exchangeable or (z) there shall have occurred and be continuing an Event of Default with respect to the Securities of such series. Securities so issued in exchange for this Security shall be of the same series, having the same interest rate, if any, and maturity and having the same terms as this Security, in authorized denominations and in the aggregate having the same principal amount as this Security and registered in such names as the Depositary for such Global Security shall direct.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of a Security of the series of which this Security is a part is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and premium, if any, and interest, if any, on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of the series of which this Security is a part are issuable only in registered form without coupons in denominations of \$50 and in integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Holder in whose name



this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Security shall be governed by and construed in accordance with the laws of the State of New York, including Section 5-1401 of the New York General Obligations Law, without regard to principles of conflicts of laws.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Reference is made to the Supplemental Indenture for a complete statement of the terms and other provisions of the Note and, to the extent this Note is inconsistent therewith, the Supplemental Indenture shall govern.

RAYTHEON COMPANY  
GUARANTEE AGREEMENT  
RC TRUST I

Dated as of May 9, 2001

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GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT, dated as of May 9, 2001, is executed and delivered by RAYTHEON COMPANY, a Delaware corporation (the "Guarantor"), and The Bank of New York, a New York corporation, as the initial Guarantee Trustee (as defined herein) for the benefit of the Holders (as defined herein) from time to time of the Securities (as defined herein) of RC Trust I, a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to an Amended and Restated Declaration of Trust (the "Declaration"), dated as of May 9, 2001 among the trustees of the Issuer named therein, Raytheon Company, as Sponsor, and the Holders from time to time of preferred and common undivided beneficial interests in the assets of the Issuer, the Issuer may issue up to \$862,500,000 aggregate liquidation amount of its Preferred Securities (the "Preferred Securities") representing preferred undivided beneficial interests in the assets of the Issuer and having the terms set forth in the Declaration and \$26,675,300 in aggregate liquidation amount of its Common Securities, all of which are being issued as of the date hereof; and

WHEREAS, as incentive for the Holders to purchase Securities, the Guarantor desires to irrevocably and unconditionally agree, to the extent set forth herein, to pay to the Holders the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the purchase by the initial purchasers thereof of Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders from time to time.

ARTICLE I  
DEFINITIONS

Section 1.01 Definitions.  
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(a) Capitalized terms used in this Guarantee Agreement but not defined in the preamble or recitals above have the respective meanings assigned to them in this Section 1.01.

(b) A term defined anywhere in this Guarantee Agreement has the same meaning throughout.

(c) All references to "the Guarantee Agreement" or "this Guarantee Agreement" are to this Guarantee Agreement as modified, supplemented or amended from time to time.

(d) All references in this Guarantee Agreement to Articles and Sections are to Articles and Sections of this Guarantee Agreement unless otherwise specified.

(e) A term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise defined in this Guarantee Agreement or unless the context otherwise requires.

(f) A reference to the singular includes the plural and vice versa.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such specified Person. For purposes of this definition, "control" of a Person shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Business Day" means any day that is not a Saturday, Sunday or day on which banking institutions and trust companies in the City of New York, the Commonwealth of Massachusetts or at a place of payment are authorized or required by law, regulation or executive order to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Security" shall have the meaning set forth in the Declaration.

"Common Stock" means the Class B common stock, par value \$.01 per share, of the Company as such class may be reclassified, with the Class A common stock, par value \$.01 per share, of the Company into one new class of common stock of the Company as set forth in the prospectus contained in the Company's Registration Statement on Form S-3 filed April 6, 2001 under "Description of Our Class A and Class B Common Stock - Reverse/Forward Stock Split" and "--Reclassification of our Existing Two Classes of Common Stock into a Single New Class of Common Stock."

"Declaration" has the meaning set forth in the recitals above.

"Distributions" means the periodic distributions and other payments payable to Holders in accordance with the terms of the Securities (as defined in the Declaration).

"Dollar" has the meaning set forth in the Indenture.

"Extension Period" has the meaning set forth in the Indenture.

"Guarantee Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement; provided, however, that, except with respect to a default in payment of any Guarantee Payment, any such default shall constitute a Guarantee Event of Default only if the Guarantor shall have received notice of such default and shall not have cured such default within 60 days after receipt of such notice.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Securities, to the extent not paid or made by or on behalf of the Issuer: (i) any accumulated and unpaid Distributions and the Redemption Price, including all

accumulated and unpaid Distributions to the date of redemption, with respect to the Securities called for redemption by the Issuer but only if and to the extent that in each case the Guarantor has made a payment to the Property Trustee of principal of, any premium or interest on the Notes and the amount so paid has not been distributed to the Holders and (ii) upon a voluntary or involuntary winding up, dissolution or termination of the Issuer (other than in connection with the distribution of Notes to Holders in exchange for Securities or the redemption of the Securities in full upon the maturity or redemption of the Notes as provided in the Notes), the lesser of (a) the aggregate of the liquidation amount and all accumulated and unpaid Distributions on the Securities to the date of payment, to the extent the Issuer has funds on hand legally available therefor, and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer as required by applicable law.

"Guarantee Trustee" means The Bank of New York, a New York banking corporation, in its capacity as guarantee trustee hereunder, until, if necessary, a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement, and thereafter means each such Successor Guarantee Trustee, in its capacity as guarantee trustee hereunder.

"Holder" means any holder, as registered on the books and records of the Issuer, of any Preferred Securities or Common Securities; provided, however, that in determining whether the holders of the requisite percentage of Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any Affiliate of the Guarantor.

"Indemnified Person" means the Guarantee Trustee, any Affiliate of the Guarantee Trustee, and any officers, directors, shareholders, members, partners, employees, representatives or agents of the Guarantee Trustee.

"Indenture" means the Indenture dated as of July 3, 1995 between Raytheon Company and The Bank of New York, as trustee, as supplemented by the Supplemental Indenture thereto dated as of May 9, 2001 (the "Supplemental Indenture"), pursuant to which the Notes are to be issued to the Trust.

"Majority of Outstanding Securities" means Holder(s) of outstanding Securities, voting together as a single class, who are the record owners of Securities representing a majority of the outstanding Securities.

"Notes" means the series of unsecured 7.00% Subordinated Notes due May 15, 2006 issued to the Trust by Raytheon Company under the Indenture and entitled the "7.00% Subordinated Notes due 2006."

"Officers' Certificate" means, with respect to any Person, a certificate signed by the Chairman of the Board, the President, any Vice Chairman of the Board, any Vice President, the chief financial officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Assistant Secretary of such Person, and delivered to the Guarantee Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 2.04 shall be the principal executive, financial or accounting officer of the Guarantor. Any Officers' Certificate delivered with

respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(i) a statement that the person making such certificate has read such covenant or condition;

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

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

(iv) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

"Person" means a legal person, including any individual, corporation, estate, partnership, limited liability company, joint venture, incorporated or unincorporated association, joint stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or other entity of any kind.

"Preferred Securities" has the meaning set forth in the recitals above.

"Property Trustee" means The Bank of New York, as property trustee under the Declaration, or any successor thereto that is a financial institution unaffiliated with the Company.

"Prospectus" means the final Prospectus Supplement dated May 3, 2001 of the Company relating the Units and the Trust, supplementing the Prospectus dated April 6, 2001 of the Company and the Trust.

"Redemption Price" means the amount payable on redemption of the Preferred Securities in accordance with the terms of the Securities.

"Responsible Officer" means, when used with respect to the Guarantee Trustee, any officer within the corporate trust department of the Guarantee Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Guarantee 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 because of such Person's knowledge of and familiarity with the particular subject and, in either case, who shall have direct responsibility for the administration of this Guarantee Agreement.

"Securities" means Preferred Securities and Common Securities.

"Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as a Guarantee Trustee under Section 4.01.

"Supplemental Indenture" has the meaning specified in the definition of Indenture.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

"Trust Enforcement Event" shall have the meaning given such term in the Declaration.

ARTICLE II  
TRUST INDENTURE ACT

Section 2.01 Trust Indenture Act; Application.  
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(a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

(c) The application of the Trust Indenture Act to this Guarantee Agreement shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Issuer.

Section 2.02 Lists of Holders of Securities.  
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(a) The Guarantor shall provide the Guarantee Trustee (unless the Guarantee Trustee is the registrar of the Securities) (i) within 14 days after each record date for payment of Distributions, a list, in such form as the Guarantee Trustee may reasonably require, of the names and addresses of the Holders ("List of Holders") as of such date, and (ii) at any other time, within 30 days of receipt by the Guarantor of a written request for a List of Holders as of a date no more than 15 days before such List of Holders is given to the Guarantee Trustee; provided that in each case the Guarantor shall not be obligated to provide such List of Holders at any time that the List of Holders does not differ from the most recent List of Holders given to the Guarantee Trustee by the Guarantor. The Guarantee Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in the Lists of Holders given to it; provided that the Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with its obligations under Section 312(b) of the Trust Indenture Act.

Section 2.03 Reports by the Guarantee Trustee.  
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Within 60 days after May 1st of each year, commencing May 1st, 2002, the Guarantee Trustee shall deliver to the Holders such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form, in the manner and at the times provided by Section 313 of the Trust



Indenture Act. The Guarantee Trustee shall also comply with the other requirements of Section 313 of the Trust Indenture Act. A copy of each such report shall, at the time of such transmission to the Holders, be filed by the Guarantee Trustee with the Guarantor, with each stock exchange or quotation system upon which any Securities are listed or traded (if so listed or traded) and also with the Commission. The Guarantor agrees to notify the Guarantee Trustee when any Securities become listed on any stock exchange or quotation system and of any delisting thereof.

Section 2.04 Periodic Reports to the Guarantee Trustee.  
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The Guarantor shall provide to the Guarantee Trustee, the Commission and the Holders, as applicable, such documents, reports and information (if any) as required by Section 314(a)(1)-(3) of the Trust Indenture Act and the compliance certificates required by Section 314(a)(4) and (c) of the Trust Indenture Act, any such certificates to be provided in the form, in the manner and at the times required by Section 314(a)(4) and (c) of the Trust Indenture Act (provided that any certificate to be provided pursuant to Section 314(a)(4) of the Trust Indenture Act shall be provided within 120 days of the end of each fiscal year of the Issuer). Delivery of such reports, information and documents to the Guarantee Trustee is for informational purposes only and the Guarantee Trustee's receipt of such shall not constitute constructive notice of any information contained therein, including the Guarantor's compliance with any of its covenants hereunder (as to which the Guarantee Trustee is entitled to rely exclusively on Officers' Certificates or on certificates provided pursuant to this Section 2.04).

Section 2.05 Evidence of Compliance with Conditions Precedent.  
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The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Guarantee Agreement which relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c) may be given in the form of an Officers' Certificate.

Section 2.06 Events of Default; Waiver.  
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(a) The Holders of a Majority of Outstanding Securities may, by vote, on behalf of the Holders, waive any past Guarantee Event of Default and its consequences. Upon such waiver, any such Guarantee Event of Default shall cease to exist, and any Guarantee Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Guarantee Event of Default, or impair any right consequent thereon.

(b) The right of any Holder to receive payment of the Guarantee Payments in accordance with this Guarantee Agreement, or to institute suit for the enforcement of any such payment, shall not be impaired without the consent of each such Holder.

Section 2.07 Disclosure of Information.  
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The disclosure of information as to the names and addresses of the Holders in ac-

cordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, shall not be deemed to be a violation of any existing law, or any law hereafter enacted which does not specifically refer to Section 312 of the Trust Indenture Act, nor shall the Guarantee Trustee be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

Section 2.08 Conflicting Interest.  
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(a) The Declaration shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

(b) The Guarantee Trustee shall comply with its obligations under Sections 310(b) and 311 of the Trust Indenture Act.

ARTICLE III  
POWERS, DUTIES AND RIGHTS  
OF THE GUARANTEE TRUSTEE

Section 3.01 Powers and Duties of the Guarantee Trustee.  
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(a) This Guarantee Agreement shall be held by the Guarantee Trustee in trust for the benefit of the Holders. The Guarantee Trustee shall not transfer its right, title and interest in this Guarantee Agreement to any Person except a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Guarantee Trustee or to a Holder exercising his or her rights pursuant to Section 5.04(iv). The right, title and interest of the Guarantee Trustee to this Guarantee Agreement shall vest automatically in each Person who may hereafter be appointed as Guarantee Trustee in accordance with Article IV. Such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered.

(b) If a Guarantee Event of Default has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the Holders.

(c) This Guarantee Agreement and all moneys received by the Guarantee Trustee in respect of the Guarantee Payments will not be subject to any right, charge, security interest, lien or claim of any kind in favor of, or for the benefit of, the Guarantee Trustee or its agents or their creditors.

(d) The Guarantee Trustee shall, within 90 days after the occurrence of a Guarantee Event of Default actually known to a Responsible Officer of the Guarantee Trustee, transmit by mail, first class postage prepaid, to the Holders, as their names and addresses appear upon the List of Holders, notice of all such Events of Default, unless such defaults shall have been cured before the giving of such notice; provided that the Guarantee 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 Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders. The

Guarantee Trustee shall not be deemed to have knowledge of any Guarantee Event of Default except any Guarantee Event of Default as to which the Guarantee Trustee shall have received written notice or a Responsible Officer charged with the administration of this Guarantee Agreement shall have obtained written notice of such Guarantee Event of Default.

(e) The Guarantee Trustee shall continue to serve as a trustee until a Successor Guarantee Trustee has been appointed and accepted that appointment in accordance with Article IV.

Section 3.02 Certain Rights and Duties of the Guarantee Trustee.  
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(a) The Guarantee Trustee, before the occurrence of a Guarantee Event of Default and after the curing or waiving of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be read into this Guarantee Agreement against the Guarantee Trustee. In case a Guarantee Event of Default has occurred (that has not been cured or waived pursuant to Section 2.06), the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) No provision of this Guarantee Agreement shall be construed to relieve the Guarantee Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of a Guarantee Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement, and no implied covenants or obligations shall be read into this Guarantee Agreement against the Guarantee Trustee; and

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

(ii) the Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Guarantee Trustee, unless it

shall be proved that the Guarantee Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Guarantee 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 Holders of a Majority of Outstanding Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and

(iv) no provision of this Guarantee Agreement shall require the Guarantee Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Guarantee Agreement or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) Subject to the provisions of Section 3.02(a) and (b):

(i) whenever in the administration of this Guarantee Agreement, the Guarantee Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Guarantee Trustee (unless other evidence is herein conclusively specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate, which, upon receipt of such request, shall be promptly delivered by the Guarantor;

(ii) the Guarantee Trustee (A) may consult with counsel (which may be counsel to the Guarantor or any of its Affiliates and may include any of its employees) selected by it in good faith and with due care and the advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon and in accordance with such advice and opinion and (B) shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction;

(iii) the Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it in good faith and with due care;

(iv) the Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have offered to the Guarantee Trustee security and indemnity satisfactory to the Guarantee Trustee against the

costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction; provided that nothing contained in this clause (iv) shall relieve the Guarantee Trustee of the obligation, upon the occurrence of a Guarantee Event of Default (which has not been cured or waived) to exercise such of the rights and powers vested in it by this Guarantee Agreement, and to use the same degree of care and skill in this exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs; and

(v) any action taken by the Guarantee Trustee or its agents hereunder shall bind the Holders, and the signature of the Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action; and no third party shall be required to inquire as to the authority of the Guarantee Trustee to so act, or as to its compliance with any of the terms and provisions of this Guarantee Agreement, both of which shall be conclusively evidenced by the Guarantee Trustee's or its agent's taking such action.

Section 3.03 Not Responsible for Recitals or Issuance of Guarantee.

The recitals contained in this Guarantee Agreement shall be taken as the statements of the Guarantor, and the Guarantee Trustee does not assume any responsibility for their correctness. The Guarantee Trustee makes no representations as to the validity or sufficiency of this Guarantee Agreement.

Section 3.04 The Guarantee Trustee May Own Securities.  
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The Guarantee Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Guarantor with the same rights it would have if it were not the Guarantee Trustee.

Section 3.05 Moneys Received by the Guarantee Trustee to Be Held in  
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Trust Without Interest.  
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All moneys received by the Guarantee Trustee in respect of Guarantee Payments shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Guarantee Trustee shall be under no liability for interest on any moneys received by it hereunder except such as it may agree in writing to pay thereon.

Section 3.06 Compensation and Expenses of Guarantee Trustee.  
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The Guarantor covenants and agrees to pay to the Guarantee Trustee from time to time, and the Guarantee Trustee shall be entitled to, such compensation as the Guarantor and the Guarantee Trustee shall from time to time agree in writing (which shall not be limited by any provision of law in regard to the compensation of a Guarantee Trustee of an express trust) for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Guarantee Trustee, and the Guarantor will pay or reimburse the Guarantee Trustee upon its request for all reasonable expenses, disbursements and advances incurred or

made by the Guarantee Trustee in accordance with any of the provisions of this Guarantee Agreement (including the reasonable compensation and the reasonable expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Guarantor also covenants to indemnify each of the Guarantee Trustee or any predecessor Guarantee Trustee and their officers, agents, directors and employees for, and to hold them harmless against, any and all loss, liability, damage, claim or expense including taxes (other than taxes based upon, measured by or determined by the income, profit, franchise or doing business of the Guarantee Trustee) incurred without negligence or bad faith on the part of the Guarantee Trustee and arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim (whether asserted by the Guarantor, any Holder or any other Person) of liability in the premises. The provisions of this Section 3.06 shall survive the termination of this Guarantee Agreement and resignation or removal of the Guarantee Trustee.

ARTICLE IV  
GUARANTEE TRUSTEE

Section 4.01 Qualifications.  
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There shall at all times be a Guarantee Trustee that shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a national banking association or corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or Person permitted by the Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purposes of this clause (ii), 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 Guarantee Trustee shall cease to satisfy the requirements of clauses (i) and (ii) above, the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.02. If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee Trustee and the Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

Section 4.02 Appointment, Removal and Resignation of the Guarantee

Trustee.  
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(a) Subject to Section 4.02(b), the Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed in accordance with Section 4.02(a) until a Successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.01 has been appointed and has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor and the Guarantee Trustee being removed.

(c) The Guarantee Trustee appointed to office shall hold office until its successor shall have been appointed or until its removal or resignation.

(d) The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument (a "Resignation Request") in writing signed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall take effect upon such delivery or upon such later date as is specified therein; provided, however, that no such resignation of the Guarantee Trustee shall be effective until a Successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.01 has been appointed and has accepted such appointment by instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(e) If no Successor Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.02 within 60 days after delivery to the Guarantor of a Resignation Request or the Guarantee Trustee is removed, the resigning Guarantee Trustee may petition any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon after such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

ARTICLE V  
GUARANTEE

Section 5.01 Guarantee.  
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The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or to the Guarantee Trustee for remittance to the Holders or by causing the Issuer to pay such amounts to the Holders. If a Trust Enforcement Event has occurred and is continuing, the rights of the Holders of the Common Securities to receive Guarantee Payments will be subordinated to the rights of the Holders of Preferred Securities to receive Guarantee Payments.

Section 5.02 Waiver of Notice.  
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The Guarantor hereby waives notice of acceptance of this Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands. Notwithstanding anything to the contrary herein, the Guarantor retains all of its rights under the Indenture to extend the interest payment period on the Notes and the Guarantor shall not be obligated hereunder to make any Guarantee Payment during any extension of any Interest Payment Period (as defined in the Supplemental Indenture) with respect to the Distributions on the Securities.

Section 5.03 Obligations Not Affected.  
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The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions (other than an extension of time for payment of Distributions that result from any Extended Interest Payment Period), Redemption Price, (as may be defined in the Declaration) or any other sums payable under the terms of the Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Securities (other than an extension of time for payment of Distributions that result from any Extension Period);

(c) any failure, omission, delay or lack of diligence on the part of the Guarantee Trustee or the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Guarantee Trustee or the Holders pursuant to the terms hereof or of the Securities, respectively, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.03 that the



obligations of the Guarantor with respect to the Guarantee Payments shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Guarantee Trustee or the Holders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

Section 5.04 Enforcement of Guarantee.  
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The Guarantor and the Guarantee Trustee expressly acknowledge and agree that (i) this Guarantee Agreement will be deposited with the Guarantee Trustee to be held for the benefit of the Holders; (ii) the Guarantee Trustee has the right to enforce this Guarantee Agreement on behalf of the Holders; (iii) Holders representing not less than a Majority of Outstanding Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of this Guarantee Agreement or exercising any trust or other power conferred upon the Guarantee Trustee under this Guarantee Agreement; and (iv) if the Guarantee Trustee fails to enforce this Guarantee Agreement as provided in clauses (ii) and (iii) above, any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Issuer, the Guarantee Trustee or any other Person. Notwithstanding the foregoing, if the Guarantor has failed to make a Guarantee Payment, a Holder may directly institute a proceeding against the Guarantor for enforcement of this Guarantee Agreement for such payment without first instituting a legal proceeding against the Issuer, the Guarantee Trustee or any other Person.

Section 5.05 Guarantee of Payment.  
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This Guarantee Agreement creates a guarantee of payment and not merely of collection. This Guarantee Agreement will not be discharged except by payment of the Guarantee Payments in full (without duplication of amounts theretofore paid by the Issuer) or upon the distribution of the Notes to the Holders as provided in the Declaration.

Section 5.06 Subrogation.  
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The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders or to the Guarantee Trustee for remittance to the Holders.

Section 5.07 Independent Obligations.  
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The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Securities and that the Guarantor shall be liable as

principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.03 hereof.

ARTICLE VI  
LIMITATION OF TRANSACTIONS; SUBORDINATION

Section 6.01 Limitation of Transactions. So long as any Securities remain outstanding, and if at such time (i) the Guarantor shall be in default with respect to its Guarantee Payments or other payment obligations hereunder, (ii) there shall have occurred and be continuing any Event of Default under the Declaration or (iii) the Guarantor shall have given notice of its election of an Extension Period and such period, or any extension thereof, is continuing, the Guarantor shall not (1) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank equally with or junior in interest to the Notes in the right of payment issued by the Guarantor, except, in the case of an Extension Period, payments as contemplated under the Indenture, or make any guarantee payments with respect to any guarantee by the Guarantor of any securities of any of its subsidiaries if such guarantee ranks junior to the Notes in right of payment, except, in the case of an Extension Period, payments as contemplated under the Indenture, or (2) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Guarantor's capital stock, except, in each of cases (1) and (2), nothing contained therein shall prevent the Guarantor from (a) purchasing or acquiring its capital stock in satisfaction of its obligations under any benefit plans for the Guarantor and the Guarantor's subsidiaries' directors, officers or employees or under any dividend reinvestment plans, or pursuant to any contract or security outstanding (other than a contract or security ranking expressly by its terms on a parity with or junior to the Notes), (b) effecting the reclassification of the Company's capital stock, or any exchange or conversion of one class of the Company's capital stock for another class or series of the Company's capital stock (including, without limitation, such reclassifications as have been approved by the Company's stockholders prior to the date hereof as set forth in the in the prospectus contained in the Company's and the Trust's Registration Statement on Form S-3 filed April 6, 2001 under "Description of Our Class A and Class B Common Stock - Reverse/Forward Stock Split" and "--Reclassification of our Existing Two Classes of Common Stock into a Single New Class of Common Stock"), (c) purchasing of fractional interests in shares of the Guarantor's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged, (d) declaring dividends or distributions in the Common Stock; (e) making any declaration of a dividend in connection with the implementation of a shareholder's rights plan, or the issuance of shares under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto; and (f) making any payments under this Guarantee. In addition, so long as any Securities remain outstanding, the Guarantor (i) will remain the sole direct or indirect owner of all of the outstanding Common Securities and shall not cause or permit the Common Securities to be transferred except to the extent such transfer is permitted under Section 7.9 of the Declaration; provided that any permitted successor of the Guarantor under the Indenture may succeed to the Guarantor's direct or indirect ownership of the Common Securities, and (ii) will use reasonable efforts to cause the Issuer to continue to be treated as a grantor trust for United States federal income tax purposes, except in connection with a distribution of Notes as provided in the Declaration.

Section 6.02 Subordination.  
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This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to all other liabilities of the

Guarantor and any guarantees of the Guarantor relating to such liabilities, except in each case those made pari passu or subordinate by their terms, and (ii) senior to all capital stock and to any guarantee now or hereafter entered into by the Guarantor in respect of any of its capital stock now or hereafter issued by the Guarantor. The Guarantor's obligations under this Guarantee Agreement will rank pari passu with respect to obligations under other securities (other than capital stock) the Guarantor may issue from time to time and other guarantee agreements which it may enter into from time to time to the extent that (i) such agreements shall provide for comparable guarantees by the Guarantor of payment on preferred securities issued by other trusts, partnerships or other entities affiliated with the Guarantor that are financing vehicles of the Guarantor and (ii) the Notes or other evidences of indebtedness of the Guarantor relating to such preferred securities are subordinated, unsecured indebtedness of the Guarantor.

Section 6.03 Ranking.  
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If a Trust Enforcement Event has occurred and is continuing under the Declaration, the rights of the Holders of the Common Securities to receive Guarantee Payments will be subordinated to the rights of the Holders of Preferred Securities to receive Guarantee Payments.

ARTICLE VII  
TERMINATION

Section 7.01 Termination.  
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This Guarantee Agreement shall terminate and be of no further force and effect (i) upon full payment of the Redemption Price of all Securities, (ii) upon the distribution of Notes to Holders and holders of Common Securities in exchange for all of the Preferred Securities and Common Securities or (iii) upon full payment of the amounts payable in accordance with the Declaration upon liquidation of the Issuer. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must restore payment of any sums paid with respect to the Securities or under this Guarantee Agreement.

ARTICLE VIII  
LIMITATION OF LIABILITY; INDEMNIFICATION

Section 8.01 Exculpation.  
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(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Guarantor or any Holder for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Guarantee Agreement and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Guarantee Agreement or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Guarantor and upon such information, opinions, reports or statements presented to the Guarantor by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Guarantor, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which Distributions to Holders might properly be paid.

Section 8.02 Indemnification.  
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To the fullest extent permitted by applicable law, the Guarantor shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Guarantee Agreement and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Guarantee Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of negligence or willful misconduct with respect to such acts or omissions.

Section 8.03 Survive Termination.  
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The provisions of Sections 8.01 and 8.02 shall survive the termination of this Guarantee Agreement or the resignation or removal of the Guarantee Trustee.

ARTICLE IX  
MISCELLANEOUS

Section 9.01 Successors and Assigns.  
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All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assignees, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Guarantee Trustee and the Holders then outstanding. Except in connection with a consolidation, merger or sale involving the Guarantor that is permitted under Article X of the Indenture, the Guarantor shall not assign its obligations hereunder.

Section 9.02 Amendments.  
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Except with respect to any changes which do not adversely affect the rights of Holders in any material respect (in which case no consent of Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Guarantor, the Guarantee Trustee and the Holders of not less than a Majority of Outstanding Securities. The provisions of Section 11.2 of the Declaration concerning meetings, and actions by written consent without a meeting, of Holders shall apply to the giving of such approval.

Section 9.03 Notices.

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Any notice, request or other communication required or permitted to be given hereunder shall be in writing, in English, duly signed by the party giving such notice, and delivered, telecopied or mailed by first class mail as follows:

(a) if given to the Guarantor, to the address set forth below or such other address as the Guarantor may give notice of to the Holders:

Raytheon Company  
141 Spring Street  
Lexington, Massachusetts 02421  
Attention: General Counsel

(b) if given to the Guarantee Trustee, to the address set forth below or such other address as the Guarantee Trustee may give notice of to the Holders:

The Bank of New York  
101 Barclay Street  
Floor 21 West  
New York, New York 10286

Attention: Corporate Trust Administration

(c) if given to any Holder, at the address set forth on the books and records of the Issuer.

All notices hereunder shall be deemed to have been given when (i) received in person, (ii) telecopied with receipt confirmed, or (iii) mailed by first class mail, postage prepaid, when received, except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

Section 9.04 Genders.

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The masculine, feminine and neuter genders used herein shall include the masculine, feminine and neuter genders.

Section 9.05 Benefit.

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This Guarantee Agreement is solely for the benefit of the Guarantee Trustee and the Holders and, subject to Section 3.01(a), is not separately transferable from the Securities.

Section 9.06 Governing Law.

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THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL

OBLIGATIONS LAW, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Section 9.07 Counterparts.  
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This Guarantee Agreement may be executed in counterparts, each of which shall be an original; but such counterparts shall together constitute one and the same instrument.

Section 9.08 Limited Liability.  
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Neither the Guarantee Trustee nor the Holders, in their capacities as such, shall be personally liable for any liabilities or obligations of the Guarantor arising out of this Guarantee Agreement. The parties further hereby agree that the Holders, in their capacities as such, shall be entitled to the same limitation of personal liability extended to the stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

RAYTHEON COMPANY

By: /s/ Richard Goglia  
-----  
Name:Richard Goglia  
Title: Vice President and Treasurer

THE BANK OF NEW YORK  
as Guarantee Trustee

By: /s/ Kisha Holder  
-----  
Name:Kisha Holder  
Title: Assistant Treasurer

[Signature Page to Guarantee Agent]



## 7.00% Trust Preferred Security of RC Trust I

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## REMARKETING AGREEMENT

[Date]

[NAME OF REMARKETING AGENT]

Ladies and Gentlemen:

[Name of Remarketing Agent], a \_\_\_\_\_ (the "Remarketing Agent"), is undertaking to remarket the 7.00% Trust Preferred Securities, stated liquidation amount \$50 per Trust Preferred Security (the "Trust Preferred Securities"), issued by RC Trust I, a statutory business trust created under Delaware law (the "Trust"), pursuant to the Purchase Contract Agreement dated as of May 9, 2001 (the "Purchase Contract Agreement") between Raytheon Company, a Delaware corporation (the "Company"), and The Bank of New York, as purchase contract agent (the "Purchase Contract Agent").

The Trust Preferred Securities have been issued pursuant to and are governed by, the Amended and Restated Declaration of Trust dated as of May 9, 2001, among the Company, as the sponsor, The Bank of New York, as property trustee (the "Property Trustee"), The Bank of New York (Delaware), as the Delaware Trustee (the "Delaware Trustee") and the regular trustees named therein (the "Regular Trustees"), and the holders from time to time of undivided beneficial ownership interests in the assets of the Trust, (the "Declaration"). Each Trust Preferred Security was issued as part of an equity security unit of the Company (the "Unit") that initially also included a contract (a "Purchase Contract") under which the holder agreed to purchase from the Company, and the Company agreed to sell to the holders, on May 15, 2004, a number of shares (the "Issuable Common Stock") of class B common stock, par value \$0.01 per share, of the Company (as such class may be reclassified, with the class A common stock, par value \$0.01 per share, of the Company into one new class of common stock of the Company, as set forth in the prospectus contained in the Company's and the Trust's Registration Statement on Form S-3 filed April 6, 2001 under "Description of Our Class A and Class B Common Stock - Reverse/Forward Stock Split" and "--Reclassification of our Existing Two Classes of Common Stock into a Single New Class of Common Stock" equal to the Settlement Rate (as defined in the Purchase Contract Agreement) as set forth in the Purchase Contract Agreement.

In accordance with the terms of the Purchase Contract Agreement, the Trust Preferred Securities constituting a part of the Units have been pledged by the Purchase Contract Agent, as attorney-in-fact of the holders of the Unit, to Bank One Trust Company, N.A., as collateral agent (the "Collateral Agent"), pursuant to the Pledge Agreement, dated as of May 9, 2001 (the "Pledge Agreement"), among the Company, the Purchase Contract Agent, the Collateral Agent and Bank One Trust Company, N.A., as custodial agent (the "Custodial Agent") and Securities Intermediary ("Securities Intermediary"), to secure the holders' obligation to

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purchase Common Stock under the Purchase Contracts. Payments on the Trust Preferred Securities are guaranteed (the "Guarantee") by the Company on an unsecured and subordinated basis, pursuant to the Guarantee Agreement dated as of May 9, 2001 (the "Guarantee Agreement") between the Company and The Bank of New York, as guarantee trustee (the "Guarantee Trustee").

The Trust Preferred Securities and the common securities of the Trust (the "Common Securities" and together with the Trust Preferred Securities, the "Trust Securities") have been issued by the Trust in exchange for the 7.00% Notes due May 15, 2006 of the Company (the "Notes") issued by the Company pursuant to an Indenture dated as of July 3, 1995 (the "Base Indenture"), as supplemented by the First Supplemental Indenture, dated as of May 2, 2000, and as supplemented by a Second Supplemental Indenture dated as of May 9, 2001 ("Supplemental Indenture No. 1," and "Supplemental Indenture No. 2," respectively, and, together with the Base Indenture and all other amendments and

supplements thereto in effect on the date hereof, the "Indenture"), in each case, between the Company and The Bank of New York, as indenture trustee (the "Indenture Trustee").

Capitalized terms that are used and not defined in this Agreement have the meanings set forth in the Terms Agreement dated May 3, 2001 between the Company and the Underwriters named therein, which Terms Agreement incorporates by reference and amends the Underwriting Agreement of the Company regarding Debt Securities (collectively, the "Underwriting Agreement"), as the case may be. The Underwriting Agreement is attached to this Agreement as Annex A.

Section 1. Appointment and Obligations of the Remarketing Agent.  
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(a) The Company, the Purchase Contract Agent and the Trust hereby appoint \_\_\_\_\_ as exclusive Remarketing Agent (the "Remarketing Agent") and \_\_\_\_\_ hereby accepts appointment as Remarketing Agent, for the purpose of (i) the remarketing ("Remarketing") the Trust Preferred Securities pursuant to the remarketing procedures, as set forth in the Purchase Contract Agreement, the Pledge Agreement and the Declaration, as the case may be (such procedures, the "Remarketing Procedures"), on behalf of the holders thereof and (ii) performing such other duties as are assigned to the Remarketing Agent in the Remarketing Procedures and the Declaration, all in accordance with and pursuant to the Remarketing Procedures and the Declaration.

(b) The Remarketing Agent agrees (i) to use commercially reasonable best efforts to remarket the Remarketed Trust Preferred Securities (as defined below) tendered or deemed tendered to the Remarketing Agent in the Remarketing, (ii) to notify the Company, the Trust, the Depositary and the Indenture Trustee promptly of the Reset Rate (as defined in the Declaration) in accordance with the Declaration and (iii) to establish the Reset Rate and carry out such other duties as are assigned to the Remarketing Agent in the Remarketing Procedures, all in accordance with the provisions of the Remarketing Procedures and the Declaration.

(c) On the third Business Day immediately preceding February 15, 2004 (the "Remarketing Date"), the Remarketing Agent shall use its commercially reasonable best efforts to remarket, at

a price equal to at least 100.25% of the Remarketing Value, the Remarketed Trust Preferred Securities tendered or deemed tendered for purchase.

(d) If, as a result of the efforts described in Section 1(b), the Remarketing Agent determines that it will be able to remarket all Remarketed Trust Preferred Securities tendered or deemed tendered for purchase at a price of at least 100.25% of the Remarketing Value prior to 4:00 P.M., New York City time, on the Remarketing Date, the Remarketing Agent shall (i) determine the Reset Rate that will enable it to remarket all Remarketed Trust Preferred Securities tendered or deemed tendered for Remarketing, but in no event will the Reset Rate be lower than 7.00% (the initial rate), and (ii) commit to purchase, on a third-day settlement basis, and on the third Business Day following the Remarketing Date (the "Remarketing Date"), shall purchase, the Agent-purchased Treasury Consideration (as defined in the Purchase Contract Agreement).

(e) If, notwithstanding the efforts described in Section 1(b), the Remarketing Agent cannot remarket the Trust Preferred Securities on the Remarketing Date, the Remarketing Agent will continue to attempt to remarket the Trust Preferred Securities on one or more occasions until the Purchase Contract Date (as defined in the Purchase Contract Agreement) in accordance with the Remarketing Procedures and the Declaration (each such remarketing, the "Subsequent Remarketing"), provided that (i) the notice of any Subsequent Remarketing cannot be given until the Failed Remarketing notice has been published in accordance with the Remarketing Procedures in respect of any immediately proceeding Failed Remarketing and (ii) the Remarketing Date in respect of any Subsequent Remarketing must fall no later than on the Business Day (as defined in the Purchase Contract Agreement) immediately preceding the Purchase Contract Date (as defined in the Purchase Contract Agreement).

(f) If, by 4:00 P.M., New York City time, on the Remarketing Date (including a Remarketing Date of any Subsequent Remarketing), the Remarketing Agent is unable to remarket all the Trust Preferred Securities subject to the Remarketing as notified to the Remarketing Agent by the Purchase Contract Agent and the Custodial Agent, on or prior to the first Business Day prior to the Remarketing Date (the "Remarketed Trust Preferred Securities") tendered or deemed tendered for purchase, a failed Remarketing ("Failed Remarketing") shall be deemed to have occurred, and the Remarketing Agent shall, on such date, so advise by telephone the Purchase Contract Agent, the Indenture Trustee, the Company, the Trust, the Collateral Agent and the Property Trustee.

(g) On the third Business Day following the Failed Remarketing, the Remarketing Agent shall remit (i) to the Collateral Agent the Remarketed Trust Preferred Securities comprised of the Pledged Trust Preferred Securities, and (ii) to the Custodial Agent the balance of the Remarketed Trust Preferred Securities.

(h) By approximately 4:30 P.M., New York City time, on the Remarketing Date (or any Subsequent Remarketing Date), provided that there has not been a Failed Remarketing, the Remarketing Agent shall advise, by telephone (i) the Company, the Trust, the Purchase Contract Agent, the Depository and the Indenture Trustee, of the Reset Rate determined in the Remarketing and the number of Remarketed Trust Preferred Securities remarketed in the Remarketing, (ii) each purchaser (or the Depository Participant thereof) purchasing Preferred Securities sold in the Remarketing of the Reset Rate and the number of Preferred Securities such purchaser is to purchase and (iii) each purchaser to give instructions to its Depository Participant to pay the purchase price on the Purchase Contract Settlement Date in same day funds against delivery of the Preferred Securities purchased through the facilities of the Depository.

(i) In accordance with the Depository's normal procedures, on the Remarketing Date, the transactions described above with respect to each Trust Preferred Security tendered for purchase and remarketed in the Remarketing shall be executed through the Depository, and the accounts of the respective Depository participants shall be debited and credited, respectively, and such Trust Preferred Securities delivered by book-entry as necessary to effect purchases and remarketings of such Trust Preferred Securities.

(j) On the Remarketing Date, the tender and settlement procedures set in this Section 1, including provisions for payment by purchasers of the Trust Preferred Securities in the Remarketing, shall be subject to modification to the extent required by the Depository or if the book-entry system is no longer available for the Trust Preferred Securities at the time of the Remarketing, to facilitate the tendering and remarketing of the Trust Preferred Securities in certificated form. In addition, the Remarketing Agent may modify the settlement procedures set forth herein in order to facilitate the settlement process.

(k) On the Remarketing Date, the Remarketing Agent shall remit to the Collateral Agent through the Purchase Contract Agent and the Agent-purchased Treasury Consideration, as defined in the Purchase Contract Agreement.

(l) On the Remarketing Date, the Remarketing Agent shall retain as a remarketing fee for itself an amount not exceeding 25 basis points (0.25%) of the total proceeds from the sale of the Remarketed Capital Securities. The Remarketing Agent shall (i) use the portion of the proceeds attributable to the Preferred Securities that were components of Equity Securities Units to purchase (in open market or at treasury auction, in its discretion) the amount and types of U.S. Treasury Securities set forth in clauses (A) and (B) of Section 7.13(o) of the Declaration of the definition of "Remarketing Value" (as defined in the Declaration) and shall deliver such securities through the Purchase Contract Agent to the Collateral Agent to secure the obligations under the related purchase contracts of the Holders of Equity Security Units whose Preferred Securities were included in the Remarketing. The Remarketing Agent shall remit the portion of the proceeds attributable to the Preferred Securities that were not components of Equity Security Units to the holders of such Preferred Securities. The Remarketing Agent shall remit any remaining balance of the proceeds, if any, to the Purchase Contract Agent for the benefit of the Holders of Equity Security Units participating in the Remarketing.

(m) The Remarketing of the Trust Preferred Securities is also provided for in the Purchase Contract Agreement, the Pledge Agreement and the Declaration.

Section 2. Representations, Warranties and Agreements of the Company and the Trust. The Company and the Trust, jointly and severally, hereby represent, warrant and agree as to itself and as to the Trust that, (i) on and as of the date hereof, (ii) on and as of the date the Prospectus or other Remarketing Materials (each as defined below) are first distributed in connection with the Remarketing (the "Commencement Date"), and (iii) on and as of the Remarketing Date, as follows:

[(a) IN THE EVENT THAT A REGISTRATION STATEMENT IS NOT REQUIRED INSERT THE FOLLOWING: The Company has provided to the Remarketing Agent, for use in connection with remarketing of the Trust Preferred Securities, a preliminary remarketing memorandum and remarketing memorandum [AND, DESCRIBE OTHER MATERIALS IF ANY]. Such remarketing memorandum (including the documents incorporated or deemed incorporated by reference therein, [AND DESCRIBE OTHER MATERIALS] are hereafter called, collectively, the "Prospectus," and such preliminary marketing memorandum (including the documents incorporated or deemed incorporated by reference therein) is hereafter called a "Preliminary Prospectus"). The Company hereby consents to the use of the Prospectus and the Preliminary Prospectus in connection with the Remarketing.]

[IN THE EVENT THAT A REGISTRATION STATEMENT IS REQUIRED INSERT THE FOLLOWING: A registration statement (File No. 333-\_\_\_\_\_) of the Company and the Trust (the "Registration Statement"), including a prospectus, relating to the Remarketing and the Remarketed Trust Preferred Securities, the Notes and the Guarantee (collectively, the "Securities") has been filed under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (the "Securities Act") with the Securities and Exchange Commission (the "Commission") and has become effective. The preliminary prospectus which forms a part of the Registration Statement as first filed pursuant to Rule 424(b) of the Securities Act and any related Remarketing Materials (as defined below) is referred to herein as the "Preliminary Prospectus," and the final preliminary prospectus which forms a part of the Registration Statement as first filed pursuant to Rule 424(b) of the Securities Act and any Remarketing Materials is referred to herein as the "Prospectus". Unless the context otherwise requires, following a voluntary or involuntary dissolution, all references herein to the Trust Preferred Securities, shall be deemed to refer to the Notes.

(b) On the effective date of the Registration Statement, the Registration Statement, including documents incorporated by reference therein at such time, if applicable, conformed in all material respects to the requirements of the Securities Act, the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission thereunder ("Trust Indenture Act"), and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and on the date hereof, the Registration Statement, any Preliminary Prospectus (including any Remarketing Materials) and the Prospectus (including any Remarketing Materials) will conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act, and neither of such documents will include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, except that the foregoing does not apply to (i) statements in or omissions from any of such documents based upon written information furnished to the Company by the Remarketing Agent, if any, specifically for use therein or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act.

Reference made herein to any Preliminary Prospectus, the Prospectus or any other information furnished by the Company to the Remarketing Agent for distribution to investors in connection with the Remarketing (the "Remarketing Materials") shall be deemed to refer to and include any documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act as of the date of such Preliminary Prospectus or the Prospectus, as the case may be, or, in the case of Remarketing Materials, referred to as incorporated by reference therein, and any reference to any amendment or supplement to any Preliminary Prospectus, the Prospectus or the Remarketing Materials shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of such Preliminary Prospectus or the Prospectus incorporated by reference therein pursuant to Item 12 of Form S-3 or, if so incorporated, the Remarketing Materials, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to include any annual report of the Company or the Trust filed with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act after the date and time that the Registration Statement, or any post-

effective amendment, is declared effective by the Commission, that is incorporated by reference in the Registration Statement.]

(c) No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission; and no order preventing or suspending the use of the Preliminary Prospectus or the Prospectus has been issued by the Commission.

(d) The Trust has been duly created and is validly existing as a statutory business trust in good standing under the Business Trust Act of the State of Delaware (the "Delaware Trust Act") with the trust power and authority to own property and conduct its business as described in the Prospectus; the Trust is not a party to or bound by any agreement or instrument and is not be a party to or bound by any agreement or instrument other than the Purchase Contract Agreement, the Declaration, the Pledge Agreement and this Agreement (the "Trust Agreements") and the other agreements entered into in connection with the transactions contemplated hereby; the Trust has no liabilities or obligations other than those arising out of the transactions contemplated by this Agreement and the Declaration as described in the Prospectus; and the Trust is not a party to or subject to any action, suit or proceeding of any nature.

(e) Each of the Securities and the Trust Agreements, the Guarantee Agreement and the Indenture (the "Transaction Agreements") has been duly authorized by the Company and the Trust, as the case may be, and conforms or will conform, as the case may be, to the description thereof contained in the Prospectus.

(f) There are no preemptive or other rights to subscribe for or to purchase, nor is there any restriction on the voting or transfer of, any of the Securities pursuant to the Company's Certificate of Incorporation or by-laws, the Declaration or any agreement or instrument, except as such preemptive or other rights and/or restrictions are expected with respect to the transactions contemplated by the Purchase Contract Agreement, the Pledge Agreement and the Declaration..

(g) The Units and the Purchase Contracts have been duly executed and delivered by the Company and have been duly and validly issued and outstanding, and constitute valid and binding obligations of the Company entitled to the benefits of the Purchase Contract Agreement and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(h) The Notes have been duly executed, authenticated, issued and delivered as contemplated by the Indenture against payment of the agreed consideration therefor, have been duly and validly issued and outstanding, and constitute valid and binding obligations of the Company entitled to the benefits of the Indenture, and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors'

rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(i) The Guarantee Agreement has been duly executed, authenticated, issued and delivered and constitutes a valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(j) The Trust Securities have been validly issued, are fully paid and, in the case of the Trust Preferred Securities, non-assessable, and will conform to the descriptions contained in the Prospectus.

(k) The unissued shares of Common Stock to be issued and sold by the Company upon settlement of the Purchase Contracts have been reserved for issuance and, when issued and delivered in accordance with the provisions of the Purchase Contracts, will be duly and validly issued, fully paid and non-assessable.

(l) Each of the Transaction Agreements has been duly authorized by the Company and has been duly executed by the proper officers of the Company and delivered by the Company, and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(m) The Securities and the Transaction Agreements will conform to the descriptions thereof contained in the Prospectus.

(n) The Remarketing, the execution, delivery and performance of the Transaction Agreements, the issuance and sale or exchange, as the case may be, of the Securities and the consummation by the Company and the Trust, as the case may be, of the transactions contemplated hereby and thereby (collectively, the "Transactions") has not or will not, as the case may be, (1) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, any of its subsidiaries or the Trust is a party or by which the Company, any of its subsidiaries or the Trust is bound or to which any of the properties or assets of the Company, any of its subsidiaries or the Trust is subject, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company, (2) result in any violation of the provisions of the charter or by-laws (or equivalent organizational documents) of the Company, any of its subsidiaries or the Trust or (3) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, any of its subsidiaries, the Trust or any of their respective properties or assets, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company, and (4) require any material consent, approval, authorization or order of, or filing or registration

with, any such court or governmental agency or body for the consummation of the Transaction Agreements or the issuance and sale or exchange of the Securities, as the case may be, except for (a) the registration under the Securities Act of the Securities, (b) the qualification of the Indenture, the Guarantee Agreement and the Declaration under the Trust Indenture Act, and (c) such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state securities laws in connection with the Remarketing.

Section 3. Fees and Expenses. The Company and the Trust, jointly and severally, covenant and agree with the Remarketing Agent that the Company will pay or cause to be paid the following: (i) the costs incident to the preparation and printing of the Registration Statement, the Preliminary Prospectus, the Prospectus and any Remarketing Materials and any amendments or supplements thereto; (ii) the costs of distributing the Registration Statement, the Preliminary Prospectus, the Prospectus and any Remarketing Materials and any amendments or supplements thereto; (iii) any fees and expenses of qualifying the Remarketed Trust Preferred Securities under the Securities laws of the several jurisdictions as provided in Section 4(g) and of preparing, printing and distributing a Blue Sky memorandum (including related fees and expenses of counsel to the Remarketing Agent); and (iv) all other costs and expenses incident to the performance of the obligations of the Company and the Trust hereunder.

Section 4. Further Agreements of the Company. The Company and the Trust agree, jointly and severally agree to use their reasonable best efforts:

(a) To prepare the Registration Statement, the Preliminary Prospectus or the Prospectus, or if none is required, a remarketing memorandum, including any preliminary remarketing memorandum, in each case, in a form approved by the Remarketing Agent, in connection with the Remarketing, and to file any such Prospectus pursuant to the Securities Act within the period required by the Securities Act; to make no further amendment or any supplement to the Registration Statement, the Preliminary Prospectus, Prospectus or the Remarketing Materials which shall be reasonably disapproved by the Remarketing Agent promptly after reasonable notice thereof; to advise the Remarketing Agent, promptly after either of them receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Preliminary Prospectus or the Prospectus or any amended Prospectus has been filed and to furnish the Remarketing Agent with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of Remarketed Trust Preferred Securities; to advise the Remarketing Agent, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or the Remarketing Materials, of the suspension of the qualification of the Remarketed Trust Preferred Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement, the Preliminary Prospectus, the Prospectus or the Remarketing Materials or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or any Prospectus or the Remarketing Materials or suspending any such qualification, to use promptly its best efforts to obtain the withdrawal of such order.



(b) To furnish promptly to the Remarketing Agent and to counsel for the Remarketing Agent a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(c) Prior to 10:00 a.m. New York City time, on the New York Business Day (as defined in the Purchase Contract Agreement) next succeeding the date of this Agreement and from time to time, to deliver promptly to the Remarketing Agent in New York City such number of the following documents as the Remarketing Agent shall request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement, the Declaration, the Purchase Contract Agreement and the Indenture, (ii) the Preliminary Prospectus, the Prospectus and any amended or supplemented Preliminary Prospectus or Prospectus, (iii) any document incorporated by reference in the Preliminary Prospectus, Prospectus and the Remarketing Materials (excluding exhibits thereto) and (iv) any Remarketing Materials; and, if the delivery of a prospectus is required at any time in connection with the Remarketing and if at such time any event shall have occurred as a result of which the Preliminary Prospectus or Prospectus or the Remarketing Materials as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus or the Remarketing Materials, as applicable, is delivered, not misleading, or if for any other reason it shall be necessary during such same period to amend or supplement the Preliminary Prospectus or Prospectus and the Remarketing Materials or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, to notify the Remarketing Agent and, upon its request, to file such document and to prepare and furnish without charge to the Remarketing Agent and to any dealer in Securities as many copies as the Remarketing Agent may from time to time request of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance.

(d) To file promptly with the Commission any amendment to the Registration Statement, the Preliminary Prospectus, or the Prospectus or any supplement to the Preliminary Prospectus or Prospectus that may, in the judgment of the Company or the Remarketing Agent, be required by the Securities Act or requested by the Commission.

(e) Prior to filing with the Commission (i) any amendment to the Registration Statement or supplement to the Preliminary Prospectus or Prospectus or any document incorporated by reference in the Prospectus or (ii) any Preliminary Prospectus or Prospectus pursuant to Rule 424 of the Securities Act, to furnish a copy thereof to the Remarketing Agent and counsel for the Remarketing Agent; and not to file any such amendment or supplement which shall be disapproved by the Remarketing Agent promptly by reasonable notice.

(f) To make generally available to securityholders of the Company and of the Trust and to deliver to the Remarketing Agent, as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Securities Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act (including, at the

option of the Company, Rule 158 under the Securities Act); as soon as practicable after the Effective Date of the Registration Statement to make generally available to the Company's securityholders and to deliver to the Remarketing Agent an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158).

(g) Promptly from time to time to take such action as the Remarketing Agent may reasonably request to qualify the Remarketed Trust Preferred Securities and the obligations of the Company under the Notes and the Guarantee for offering and sale under the Securities laws of such jurisdictions as the Remarketing Agent may reasonably request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Trust Preferred Securities; provided that in connection therewith, neither the Company nor the Trust shall be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction.

Section 5. Conditions to the Remarketing Agent's Obligations. The obligations of the Remarketing Agent hereunder are subject to the accuracy, on and as of the date when made, of the representations and warranties of the Company and the Trust, jointly and severally, contained herein, to the performance by the Company and the Trust, jointly and severally, of their obligations hereunder and to each of the following additional conditions. The Remarketing Agent may in its sole discretion waive on their behalf compliance with any conditions to its obligations hereunder.

(a) On the Remarketing Date at 9:30 a.m., New York City time, PricewaterhouseCoopers LLP, the independent auditors, or another independent accounting firm with nationally recognized reputation, that have audited the consolidated financial statements of the Company, shall have furnished to the Remarketing Agent a letter or letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to the Remarketing Agent, containing statements and information of the type ordinarily included in accountants' "comfort letters" with respect to certain financial information contained in the Prospectus and in the Remarketing Materials.

(b) No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the trustees of the Trust, shall be contemplated by the Commission.

(c) Subsequent to the execution of this Agreement (i) there shall not have occurred any change, or any development involving a prospective change, in or affecting particularly the business or properties of the Company, the Trust or its subsidiaries which, in the judgment of the Remarketing Agent, materially impairs the investment quality of the Trust Securities, the Notes or the Guarantee; (ii) trading generally shall not have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade; (iii) trading of any securities of the Company or the Trust shall not have been suspended on any exchange or in any over-the-counter market; (iv) there shall not have occurred any downgrading,

nor shall any notice have been given of any intended or potential downgrading, in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; (v) no banking moratorium shall have been declared by Federal or New York authorities; and (vi) there shall not have occurred any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of the Remarketing Agent, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical to proceed with completion of the Remarketing.

(d) The Trust Preferred Securities shall have been duly listed, on the New York Stock Exchange.

(e) The Company and the Trust shall have complied with the provisions of Section 4(c) hereof with respect to the furnishing of a Prospectus on the New York Business Day next succeeding the date of this Agreement.

(f) The Remarketing Agent shall have received a certificate, dated the Remarketing Date, of any vice-president and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Remarketing Date, that no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change in the business, financial position or results of operations of the Company and its subsidiaries except as set forth or contemplated by the Prospectus or as described in such certificate.

(g) Thomas D. Hyde, Senior Vice President and General Counsel of the Company, shall have furnished to the Remarketing Agent his written opinion, dated the Remarketing Date, in form and substance reasonably satisfactory to the Remarketing Agent, to the effect that:

(i) The Company is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which it owns or leases substantial properties or in which the conduct of its business requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Company.

(ii) The Notes have been duly authorized, executed and delivered by the Company and (assuming due authentication by the Indenture Trustee) constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and are enforceable against the Company in accordance with their terms, subject to the effects of

bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The Trust Preferred Securities have been duly authorized, executed and delivered by the Company and (assuming due authentication by the Property Trustee) constitute valid and binding obligations of the Company entitled to the benefits of the Declaration and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iv) The Guarantee Agreement has been duly authorized, executed and delivered by the Company and (assuming due authentication by the Guarantee Trustee) constitutes valid and binding obligations of the Company and enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(v) The execution, delivery and performance of the Transaction Agreements and the Remarketing Agreement and the issuance and sale of the Securities and compliance with the terms and provisions thereof did not and will not, as the case may be, result in a breach or violation of any of the terms and provisions of or constitute a default under (a) any order known to such counsel of any governmental agency having jurisdiction over the Company or any of its properties or any agreement or instrument known to such counsel to which the Company is a party or by which the Company is bound or to which any of the properties of the Company is subject, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company or affect the validity of the Securities or the legal authority of the Company to comply with the terms of the Securities or the Transaction Agreements or (B) the Certificate of Incorporation or by-laws of the Company, and the Company has full power and authority to authorize and cause the Preferred Securities to be Remarketed as contemplated by this Agreement.

(vi) The unissued shares of Common Stock to be issued and sold by the Company pursuant to the Purchase Contracts have been duly and validly authorized and reserved for issuance and when issued and delivered in accordance with the provisions of the Purchase Contracts, will be duly and validly issued, fully paid and non-assessable.

(vii) Each of the Transaction Agreements has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally,

general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(viii) The Remarketing Agreement has been duly authorized, executed and delivered by the Company.

(ix) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the transactions contemplated by the Remarketing Agreement, except such as may be required under the Securities Act and state securities or Blue Sky laws.

(x) There are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any Securities issuable pursuant to the Company's Certificate of Incorporation or by-laws or any agreement or other instrument known to such counsel, except as such preemptive or other rights and/or restrictions are expected with respect to the transactions contemplated by the Purchase Contract Agreement, the Pledge Agreement and the Declaration of Trust.

In addition, Mr. Hyde shall state that he or others working under his supervision have participated in conferences with officers and other representatives of the Company, outside counsel for the Company, representatives of the independent public accountants for the Company, and the Remarketing Agent, at which the contents of the Registration Statement and Prospectus and related matters were discussed and, although he is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus, on the basis of the foregoing and on his ongoing representation of the Company, no facts have come to his attention that lead him to believe that (i) such registration statement, at the time such registration statement became effective, or the Registration Statement, as of the date of this Agreement, or any amendment or supplement to the Registration Statement or the Prospectus, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) that the Prospectus, as of its date and the Remarketing Date, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that he need express no opinion with respect to the financial statements, schedules and other financial and statistical data included or incorporated by reference in the Registration Statement or Prospectus or with respect to the Form T-1.

Notwithstanding of any of the forgoing, if the securities subject to the Remarketing are the Notes, such counsel shall have furnished to the Remarketing Agent his written opinion, dated the Remarketing Date, in form and substance reasonably satisfactory to the Remarketing Agent, to the effect set forth above, with such modifications as the Remarketing Agent deems appropriate to reflect the fact that such opinion is given in connection with the Remarketing of the Notes.

(h) Wachtell, Lipton, Rosen & Katz, special counsel the Company, who may rely as to the approval or consent of non-Federal governmental authorities upon the opinion of Thomas D. Hyde, Esq. referred to above, shall have furnished to the Remarketing Agent their

written opinion, dated the Remarketing Date, in form and substance reasonably satisfactory to Remarketing Agent, to the effect that:

(i) The Securities and the Transaction Agreements conform or will conform in all material respects to the descriptions thereof contained in the Prospectus.

(ii) [IF A TAX SECTION IS IN THE PROSPECTUS, INCLUDE THIS PARAGRAPH AND MODIFY AS APPROPRIATE. Based upon current law, the assumptions and facts stated or referred to in the Final Prospectus Supplement (including under the caption "U.S. Federal Income Tax Consequences") and certain representations the Remarketing Agent and Raytheon Company have provided to us and subject to the qualifications and limitations set forth in the Final Prospectus Supplement (including under the caption "U.S. Federal Income Tax Consequences"), the statements set forth in the Final Prospectus Supplement under the caption "U.S. Federal Income Tax Consequences," insofar as they purport to constitute summaries of United States federal income tax laws and regulations or legal conclusions with respect thereto (but not insofar as they relate to expectations, intentions or determinations), constitute accurate summaries of the matters described under such caption in all material respects.]

(iii) The Second Supplemental Indenture, the Declaration and the Guarantee Agreement have been duly qualified under the Trust Indenture Act.

(iv) The Registration Statement has become effective under the Securities Act, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated.

(v) The Registration Statements, relating to the Securities, as of its effective date, the Registration Statement and the Prospectus, as of the date of this Agreement, and each amendment or supplement thereto, as of their respective effective or mailing dates (but excluding the financial statements and schedules and other financial and statistical data and the Form T-1 included or incorporated by reference therein, as to which such counsel need express no opinion) complied as to form in all material respects with the Securities Act, the Trust Indenture Act and the Exchange Act, as applicable.

(vi) Such counsel do not know of any legal or governmental proceedings required to be described in the Prospectus which are not described as required, nor of any contracts or documents of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required.

(vii) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the transactions contemplated by the Remarketing Agreement, except such as may be required under the Securities Act and state securities Blue Sky Laws.

(viii) The provisions of the Pledge Agreement created in favor of the Collateral Agent for the benefit of the Company, a valid security interest under the

Uniform Commercial Code as in effect on the date of such opinion in the State of New York (the "New York UCC") in the Pledged Preferred Securities, Pledged Subordinated Note, Applicable Ownership Interests (as specified in clause (A) of the definition thereof in the Declaration) of the Treasury Portfolio and Pledged Treasury Securities, as defined in Declaration, from time to time credited to the Collateral Account in accordance with the Pledge Agreement. For purposes of such counsel's opinion, capitalized terms used in this paragraph shall have the meanings ascribed to such terms in the Pledge Agreement.

(i) Richards, Layton & Finger, P.A. shall have furnished to the Remarketing Agent its written opinion, as special Delaware counsel to the Company and the Trust, addressed to the Remarketing Agent and dated such Remarketing Date, in form and substance satisfactory to the Remarketing Agent, to the effect that:

(i) The Trust has been duly created and is validly existing in good standing as a business trust under the Delaware Trust Act. Under the Delaware Business Trust Act and the Declaration, the Trust has the trust power and authority to own property and to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement and the Trust Securities.

(ii) The Common Securities have been duly authorized by the Declaration and are fully paid undivided beneficial interests in the assets of the Trust (such counsel may note that the holders of Common Securities will be subject to the withholding provisions of the Declaration, will be required to make payment or provide indemnity or security as set forth in the Declaration and will be liable for the debts and obligations of the Trust to the extent provided in the Declaration); under the Delaware Business Trust Act and the Declaration, the issuance of the Common Securities is not subject to preemptive rights.

(iii) The Trust Preferred Securities have been duly authorized by the Declaration and have been validly issued and (subject to the terms in this paragraph) are fully paid and are non-assessable undivided beneficial interests in the assets of the Trust, the holders of the Trust Preferred Securities are entitled to the benefits of the Declaration (subject to the limitations set forth in clause (v) below) and will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware (such counsel may note that the holders of Trust Preferred Securities will be subject to the withholding provisions of the Declaration and will be required to make payment or provide indemnity or security as set forth in the Declaration); under the Delaware Business Trust Act and the Declaration, the issuance of the Trust Preferred Securities is not subject to preemptive rights.

(iv) Assuming the Declaration has been duly authorized by the Company and has been duly executed and delivered by the Company and the Regular Trustees, and assuming due authorization, execution and delivery of the Declaration by the Property Trustee and the Delaware Trustee, the Declaration constitutes a valid and binding obligation of the Company and the Regular Trustees, and is enforceable against the

Company and the Regular Trustees, in accordance with its terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation, fraudulent conveyance or transfer and other similar laws relating to or affecting the rights and remedies of creditors generally, principles of equity, including applicable law relating to fiduciary duties (regardless of whether considered and applied in a proceeding in equity or at law), and (iii) the effect of applicable public policy on the enforceability of provisions relating to indemnification or contribution.

(v) The issuance by the Trust of the Trust Securities in exchange for the Notes and the consummation by the Trust of the transactions contemplated by the Remarketing Agreement do not violate any of the provisions of the Certificate of Trust or the Declaration or any applicable Delaware law or administrative regulation.

(vi) Assuming that the Trust derives no income from or connected with sources within the State of Delaware and has no assets, activities (other than having a Delaware Trustee as required by the Delaware Business Trust Act and the filing of documents with the Secretary of State of Delaware) or employees in the state of Delaware, no filing with, or authorization, approval consent, license, order, registration, qualification or decree of, or with any Delaware court or Delaware governmental authority or agency (other than as may be required under the securities or blue sky laws of the state of Delaware, as to which such counsel need express no opinion) is necessary or required to be obtained by the Trust solely in connection with the due authorization, execution and delivery by the Trust of the Remarketing Agreement or the offering, issuance, exchange or delivery of the Trust Preferred Securities.

(j) Emmet Marvin & Marvin shall have furnished to the Remarketing Agent its written opinion, as counsel to The Bank of New York, as Property Trustee, Guarantee Trustee and Indenture Trustee, addressed to the Remarketing Agent and dated the Remarketing Date, in form and substance satisfactory to the Remarketing Agent, to the effect that:

(i) Each of the Property Trustee, the Guarantee Trustee and the Indenture Trustee, is duly incorporated as a New York banking corporation with all necessary power and authority to execute and deliver and perform their respective obligations under the terms of the Declaration and the Guarantee Agreement.

(ii) The execution, delivery and performance by the Property Trustee of the Declaration, the execution, delivery and performance by the Guarantee Trustee of the Guarantee Agreement and the execution, delivery and performance by the Indenture Trustee of the Indenture have been duly authorized by all necessary corporate action on the part of the Property Trustee, the Guarantee Trustee and the Indenture Trustee, respectively. The Declaration has been duly executed and delivered by the Property Trustee, the Guarantee Agreement has been duly executed and delivered by the Guarantee Trustee and the Indenture has been duly executed and delivered by the Indenture Trustee, and each constitutes the valid and binding agreement of the Property Trustee, the Guarantee Trustee and the Indenture Trustee,



respectively, enforceable against the Property Trustee, the Guarantee Trustee and the Indenture Trustee, respectively, in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The execution, delivery and performance of the Declaration, the Guarantee Agreement and the Indenture by the Property Trustee, the Guarantee Trustee and the Indenture Trustee, respectively, do not conflict with or constitute a breach of the charter or by-laws of the Property Trustee, the Guarantee Trustee and the Indenture Trustee, respectively.

(iv) No consent, approval or authorization of, or registration with or notice to, any New York or federal banking authority is required for the execution, delivery or performance by the Property Trustee, the Guarantee Trustee and the Indenture Trustee of the Declaration and the Guarantee Agreement, respectively.

(k) Richards, Layton & Finger, P.A. shall have furnished to the Remarketing Agent its written opinion, with respect to The Bank of New York (Delaware), as Delaware Trustee, addressed to the Remarketing Agent and dated such Remarketing Date, in form and substance satisfactory to the Remarketing Agent, to the effect that:

(i) The Delaware Trustee has been duly incorporated and is validly existing as a banking corporation in good standing under the laws of the State of Delaware with all necessary corporate power and authority to execute and deliver, and to carry out and perform its obligations under, the terms of the Declaration.

(ii) The execution, delivery and performance by the Delaware Trustee of the Declaration have been duly authorized by all necessary corporate action on the part of the Delaware Trustee. The Declaration constitutes the valid and binding agreement of the Delaware Trustee, and is enforceable against the Delaware Trustee, in accordance with its terms, subject to bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation, fraudulent conveyance or transfer and other similar laws relating to or affecting the rights and remedies of creditors generally, principles of equity, including applicable law relating to fiduciary duties (regardless of whether considered and applied in a proceeding in equity or at law), and the effect of applicable public policy on the enforceability of provisions relating to indemnification or contribution.

(iii) The execution, delivery and performance of the Declaration by the Delaware Trustee do not conflict with or constitute a breach of the charter or by-laws of the Delaware Trustee.

(iv) No consent, approval or authorization of, or registration with or notice to, any Delaware or federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of the Declaration.

(l) Emmet Marvin & Marvin shall have furnished to the Remarketing Agent its written opinion, as counsel to The Bank of New York, as Purchase Contract Agent, addressed to

the Remarketing Agent and dated such Remarketing Date, in form and substance satisfactory to the Remarketing Agent, to the effect that:

(i) The Purchase Contract Agent is duly incorporated as a New York banking corporation with all necessary power and authority to execute, deliver and perform its obligations under the Purchase Contract Agreement and the Pledge Agreement.

(ii) The execution, delivery and performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement, and the authentication and delivery of the Units have been duly authorized by all necessary corporate action on the part of the Purchase Contract Agent. The Purchase Contract Agreement and the Pledge Agreement have been duly executed and delivered by the Purchase Contract Agent, and constitute the valid and binding agreements of the Purchase Contract Agent, enforceable against the Purchase Contract Agent in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The execution, delivery and performance of the Purchase Contract Agreement and the Pledge Agreement by the Purchase Contract Agent does not conflict with or constitute a breach of the charter or by-laws of the Purchase Contract Agent.

(iv) No consent, approval or authorization of, or registration with or notice to, any state or federal governmental authority or agency is required for the execution, delivery or performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement.

Notwithstanding of any of the foregoing, if the Securities subject to the Remarketing are the Notes, such counsel shall have furnished to the Remarketing Agent their written opinion, dated the Remarketing Date, in form and substance reasonably satisfactory to the Remarketing Agent, to the effect set forth above, with such modifications as the Remarketing Agent deems appropriate to reflect the fact that such opinion is given in connection with the Remarketing of the Notes.

(m) The Law Department of Bank One Corporation shall have furnished to the Remarketing Agent its written opinion, as counsel to Bank One Trust Company, N.A., as Collateral Agent, Custodial Agent and Securities Intermediary, addressed to the Remarketing Agent and dated such Remarketing Date, in form and substance satisfactory to the Remarketing Agent, to the effect that:

(i) Each of the Collateral Agent, Custodial Agent and Securities Intermediary is duly incorporated as a New York banking corporation with all necessary power and authority to execute, deliver and perform its obligations under the Pledge Agreement.

(ii) The execution, delivery and performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement, and the authentication and delivery of the Units have been duly authorized by all necessary corporate action on the part of the Purchase Contract Agent. The Purchase Contract Agreement and the Pledge Agreement have been duly executed and delivered by the Purchase Contract Agent, and constitute the valid and binding agreements of the Purchase Contract Agent, enforceable against the Purchase Contract Agent in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The execution, delivery and performance of the Purchase Contract Agreement and the Pledge Agreement by the Purchase Contract Agent does not conflict with or constitute a breach of the charter or by-laws of the Purchase Contract Agent.

(iv) No consent, approval or authorization of, or registration with or notice to, any state or federal governmental authority or agency is required for the execution, delivery or performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement.

Notwithstanding of any of the foregoing, if the Securities subject to the Remarketing are the Notes, such counsel shall have furnished to the Remarketing Agent their written opinion, dated the Remarketing Date, in form and substance reasonably satisfactory to the Remarketing Agent, to the effect set forth above, with such modifications as the Remarketing Agent deems appropriate to reflect the fact that such opinion is given in connection with the Remarketing of the Notes.

(n) The Trust and the Company will furnish the Remarketing Agent with such conformed copies of such opinions, certificates, letters and documents as the Remarketing Agent may reasonably request.

(o) Simpson Thacher & Bartlett counsel for the Remarketing Agent, shall have furnished to the Remarketing Agent such written opinion or opinions dated the Remarketing Date, with respect to the validity of the Securities, the Registration Statement, the Prospectus and other related matters as the Remarketing Agent may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(p) The Remarketing Agent shall have received a certificate, dated the Remarketing Date, of any vice-president and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Remarketing Date, that no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the

Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change in the business, financial position or results of operations of the Company and its subsidiaries except as set forth or contemplated by the Prospectus or as described in such certificate.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to the Remarketing Agent.

Section 6. Indemnification and Contribution. Section 6 of the Underwriting Agreement is hereby incorporated by reference into this Agreement and is hereby amended as follows:

(a) The phrase "The Company" in the first clause of the first sentence of Section 6(a) is replaced by the phrase "The Company and the Trust, jointly and severally"; and the phrase "the Company" in the three places it appears in the proviso of Section 6(a) and in Sections 6(b), (d) and (e) is replaced by the phrase "the Company and the Trust."

(b) The phrase "each Underwriter", "such Underwriter", "any Underwriter", "any Underwriter through the Representatives", "the Representatives" or any phrases with correlative meaning are replaced by the phrase "the Remarketing Agent."

(c) For purposes of this Section, the phrase "the Prospectus" is replaced with the phrase "the Prospectus and the Remarketing Materials, as the case may be".

(d) The second sentence of paragraph (d) of Section 6 is replaced by the following sentence: "The relative benefits received by the Company on the one hand and the Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate stated liquidation amount (if the remarketed securities are the Trust Preferred Securities) or the aggregate principal amount (if the remarketed securities are the Notes) of the remarketed Securities bear to the remarketing fees received by the Remarketing Agent from the Company under this Agreement."

(e) The fourth sentence of paragraph (d) of Section 6 is replaced by the following sentence: "Notwithstanding the provisions of this subsection (d), the Remarketing Agent shall not be required to contribute any amount in excess of the amount by which the aggregate stated liquidation amount (if the remarketed securities are the Trust Preferred Securities) or aggregate principal amount (if the remarketed securities are the Notes) of the remarketed securities exceeds the amount of any damages which the Remarketing Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission."

Section 7. Resignation and Removal of the Remarketing Agent. The Remarketing Agent may resign and be discharged from its duties and obligations hereunder by giving 60 days' prior written notice to the Company, the Depositary and the Indenture Trustee. The Company may remove the Remarketing Agent by giving 60 days' prior written notice to the removed Remarketing Agent, the Depositary and the Indenture Trustee upon any of (i) the Remarketing Agent becomes involved as a debtor in a bankruptcy, insolvency or similar

proceeding; (ii) the Remarketing Agent shall be subject to one or more legal restrictions preventing the performance of its obligations hereunder; or (iv) the Remarketing Agent shall determine that (A) there has been an occurrence of a material adverse change of the kind described under Section 5(b) or (B) using its commercially reasonable efforts, the Remarketing Agent would be unable to consummate the Remarketing on the terms and in the manner contemplated in the Prospectus and the Remarketing Materials.

Notwithstanding any other provision in this Section 7, no such resignation nor any such removal shall become effective until the Company shall have appointed at least one nationally recognized broker-dealer as successor Remarketing Agent and such successor Remarketing Agent shall have entered into a remarketing agreement with the Company, in which it shall have agreed to conduct the Remarketing in accordance with the Remarketing Procedures. The provisions of Sections 3, 6, and 7 shall survive the resignation or removal of any Remarketing Agent pursuant to this Agreement.

Section 8. Dealing in the Remarketed Trust Preferred Securities. The Remarketing Agent, when acting as a Remarketing Agent or in its individual or any other capacity, may, to the extent permitted by law, buy, sell, hold and deal in any of the Remarketed Trust Preferred Securities. The Remarketing Agent may exercise any vote or join in any action which any beneficial owner of Remarketed Trust Preferred Securities may be entitled to exercise or take pursuant to the Purchase Contract Agreement, the Declaration or the Indenture with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Company or the Trust as freely as if it did not act in any capacity hereunder.

Section 9. Remarketing Agent's Performance; Duty of Care; Supervising Obligations. The duties and obligations of the Remarketing Agent shall be determined solely by the express provisions of this Agreement, the Purchase Contract Agreement and the Declaration. No implied covenants or obligations of or against the Remarketing Agent shall be read into this Agreement, the Purchase Contract Agreement or the Declaration. In the absence of bad faith on the part of the Remarketing Agent, the Remarketing Agent may conclusively rely upon any document furnished to it, which purports to conform to the requirements of this Agreement, the Purchase Contract Agreement or the Declaration as to the truth of the statements expressed in any of such documents. The Remarketing Agent shall be protected in acting upon any document or communication reasonably believed by it to have been signed, presented or made by the proper party or parties. The Remarketing Agent, acting under this Agreement, shall incur no liability to the Company or to any holder of Remarketed Trust Preferred Securities in its individual capacity or as Remarketing Agent for any action or failure to act, on its part in connection with a Remarketing or otherwise, except if such liability is judicially determined to have resulted from the bad faith or willful misconduct on its part. The Remarketing Agent may, but shall not be obligated to purchase Remarketed Trust Preferred Securities for its own account. If at any time during the term of this Agreement, any Event of Default under the Indenture or the Declaration, or any event that with the passage of time or the giving of notice or both would become an Event of Default under the Indenture or the Declaration, has occurred and is continuing under the Indenture or the Declaration, then the obligations and duties of the Remarketing Agent under this Agreement shall be suspended until such default or event has been

cured. The Company will cause the Indenture Trustee, the Purchase Contract Agent and the Regular Trustees to give the Remarketing Agent notice of all such defaults and events of which such trustee, agent or administrator is aware.

Section 10. Termination. This Agreement shall terminate as to the Remarketing Agent on the effective date of the resignation or removal of the Remarketing Agent pursuant to Section 7. In addition, the obligations of the Remarketing Agent hereunder may be terminated by it by notice given to the Company prior to 10:00 a.m., New York City time, on the Remarketing Date if, prior to that time, any of the events described in Sections [5(m), (n) and (\_\_\_)] shall have occurred.

Section 11. Notices. Except as otherwise stated herein, all statements, requests, notices and agreements hereunder shall be in writing, as follows:

(a) if to the Remarketing Agent shall be delivered or sent by mail or facsimile transmission to \_\_\_\_\_;

(b) if to the Company shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary;

(c) if to the Trust shall be delivered or sent by mail or facsimile transmission to: \_\_\_\_\_;

(d) if the Property Trustee shall be delivered or sent by mail; or facsimile transmission to \_\_\_\_\_;

(e) if to the Indenture Trustee shall be delivered or sent by mail or facsimile transmission to \_\_\_\_\_; and

(f) if to the Collateral Agent or the Custodial Agent shall be delivered or sent by mail or facsimile transmission to . -----

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

Section 12. Benefit of Agreement. This Agreement shall be binding upon, and inure solely to the benefit of, the Remarketing Agent, the Company to the extent provided in Sections 6 hereof, the officers and directors of the Company and each person who controls the Company, or the Remarketing Agent, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser or any of the Trust Preferred Securities from the Remarketing Agent shall be deemed a successor or assign by reason merely of such purchase.

Section 13. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK.

Section 14. Jurisdiction. The Company hereby submits to the nonexclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 15. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

Section 16. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

Section 17. Entire Agreement. This Agreement, the Purchase Contract Agreement, the Pledge Agreement and the Declaration constitute the only agreements relating to the matters stated herein and therein with respect to Remarketing.

If the foregoing correctly sets forth the agreement among the Company, the Purchase Contract Agent and the Remarketing Agent, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

RAYTHEON COMPANY

By: \_\_\_\_\_

Name:

Title:

THE BANK OF NEW YORK  
as Purchase Contract Agent

By: \_\_\_\_\_

Name:

Title:

Accepted:

[NAME OF REMARKETING AGENT]

By: \_\_\_\_\_

Authorized Representative



Underwriting Agreement

[attached]

PLEDGE AGREEMENT

Among

RAYTHEON COMPANY

BANK ONE TRUST COMPANY, N.A.,

as Collateral Agent, Custodial Agent

and Securities Intermediary

AND

THE BANK OF NEW YORK,

as Purchase Contract Agent

Dated as of May 9, 2001

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PLEDGE AGREEMENT

PLEDGE AGREEMENT, dated as of May 9, 2001 (this "Agreement"), among

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Raytheon Company, a Delaware corporation (the "Company"), Bank One Trust  
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Company, N.A., a national banking association (in such capacity, together with  
its successors in such capacity, the "Collateral Agent"), as custodial agent (in  
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such capacity, together with its successors in such capacity, the "Custodial  
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Agent") and as "securities intermediary" as defined in Section 8-102(a)(14) of  
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the Code (as defined herein) (in such capacity, together with its successors in  
such capacity, the "Securities Intermediary"), and The Bank of New York, not  
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individually but solely as purchase contract agent and as attorney-in-fact of  
the Holders from time to time of the Securities (as hereinafter defined) (in  
such capacity, together with its successors in such capacity, the "Purchase  
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Contract Agent") under the Purchase Contract Agreement (as hereinafter defined).  
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RECITALS

The Company and the Purchase Contract Agent are parties to the  
Purchase Contract Agreement, dated as of the date hereof (as modified and  
supplemented and in effect from time to time, the "Purchase Contract  
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Agreement"), pursuant to which there are being issued up to 15,000,000 Units of  
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the Company (17,250,000 if the Underwriters' over-allotment option pursuant to  
the Underwriting Agreement (as defined in the Declaration) is exercised in  
full), having a Stated Amount of \$50 per Unit, all of which will initially be  
Normal Units.

Each Normal Unit will be comprised of (a) a stock purchase contract  
(the "Purchase Contract") under which the Holder will be required to purchase  
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from the Company and the Company will be required to sell to such Holder not  
later than May 15, 2004 (the "Stock Purchase Date"), for \$50.00, a number of  
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shares of class B common stock, \$0.01 par value per share (as such class may be  
reclassified, with the class A common stock, par value \$0.01 per share, of the  
Company into one new class of common stock of the Company as set forth in the  
Prospectus under "Description of Our Class A and Class B Common Stock -  
Reverse/Forward Stock Split" and "Reclassification of our Existing Two Classes  
of Common Stock into a single New Class of Common Stock", the "Common Stock"),  
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of the Company equal to the Settlement Rate (as defined below), and (b) either  
beneficial ownership of (x) a Trust Preferred Security (as defined below) or (y)  
following the remarketing of the Trust Preferred Securities in accordance with  
the Purchase Contract Agreement and the Remarketing Agreement (as defined  
below), the appropriate Treasury Consideration.

In accordance with the terms of the Purchase Contract Agreement, a  
Holder of Normal Units may separate the Trust Preferred Securities or the  
appropriate Treasury Consideration, as applicable, from the related Purchase  
Contracts by substituting for such Trust Preferred Securities or the appropriate  
Treasury Consideration, as the case may be, Treasury Securities that will pay in  
the aggregate an amount equal to the aggregate Stated Amount (as defined below)  
of such Normal Units. Upon such separation, the Normal Units will become  
Stripped Units. Each Stripped Unit will be comprised of (a) a Purchase Contract  
under which the holder will purchase from the Company not later than the Stock  
Purchase Date, for \$50.00, a number of shares of Common Stock of the Company  
equal to the Settlement Rate, and (b) a 1/20 undivided beneficial interest in a  
zero-coupon U.S. Treasury Security (CUSIP No. 912820BJ5)

maturing on May 15, 2004 that will pay \$1,000 on such maturity date (the "Treasury Securities").

Pursuant to the terms of the Declaration (as defined below), RC Trust I, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), will issue 15,000,000 (17,250,000 if the Underwriters'

over-allotment option pursuant to the Underwriting Agreement is exercised in full) of its 7.00% Trust Preferred Securities (the "Trust Preferred Securities")

and common securities (the "Common Securities"), in each case having a stated

liquidation value equal to the Stated Amount, in exchange for the 7.00% Subordinated Notes due May 15, 2006 of the Company issued by the Company pursuant to an Indenture.

Pursuant to the terms of the Purchase Contract Agreement and the Purchase Contracts, the Holders, from time to time, of the Securities have irrevocably authorized the Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and deliver this Agreement on behalf of such Holders and to grant the pledge provided hereby of the Trust Preferred Securities, any Treasury Consideration and any Treasury Securities delivered in exchange therefor to secure each Holder's obligations under the related Purchase Contract, as provided herein and subject to the terms hereof. Upon such pledge, the Trust Preferred Securities, any Treasury Consideration and the Treasury Securities will be beneficially owned by the Holders but will be owned of record by the Purchase Contract Agent subject to the Pledge hereunder.

Accordingly, the Company, the Collateral Agent, the Securities Intermediary, the Custodial Agent and the Purchase Contract Agent, on its own behalf and as attorney-in-fact of the Holders from time to time of the Securities, agree as follows:

#### ARTICLE I. DEFINITIONS

SECTION 1.1. Definitions. For all purposes of this agreement, except

as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

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

(c) the following terms have the meanings assigned to them in the Purchase Contract Agreement: (i) Act, (ii) Affiliate, (iii) Agent-purchased Treasury Consideration, (iv) Beneficial Owner, (v) Certificate, (vi) Early Settlement, (vii) Early Settlement Amount, (viii) Failed Remarketing, (ix) First Supplemental Indenture, (x) Holder, (xi) Indenture, (xii) Merger Early Settlement, (xiii) Merger Early Settlement Amount, (xiv) Notes (xv) Normal Unit, (xvi) Opinion of Counsel, (xvii) Outstanding Securities, (xviii) Payment Date, (xix) Prospectus, (xx) Purchase Price, (xxi) Remarketing Agent, (xxii) Remarketing Agreement, (xxiii) Remarketing Date, (xxiv) Remarketing fee, (xxv)

Remarketing Value, (xxvi) Settlement Rate, (xvii) Stated Amount, (xxviii) Stripped Unit, (xxix) Subsequent Remarketing Date, (xxx) Termination Event, (xxxi) Treasury Consideration, (xxxii) Underwriting Agreement, and (xxxiii) Unit;

"Agreement" means this instrument as originally executed or as it may  
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from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Applicable Ownership Interest" has the meaning set forth in the  
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Declaration.

"Applicable Principal Amount" has the meaning set forth in the  
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Declaration.

"Bankruptcy Code" means Title 11 of the United States Code, or any  
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other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Business Day" means any day that is not a Saturday, Sunday or day on  
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which banking institutions and trust companies in The City of New York, the Commonwealth of Massachusetts or at a place of payment are authorized or required by law, regulation or executive order to close.

"Code" has the meaning specified in Section 6.1 hereof.  
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"Collateral" has the meaning specified in Section 2.1 hereof.  
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"Collateral Account" means the securities account (number \_\_\_\_\_)  
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maintained at Bank One Trust Company, N.A. in the name "The Bank of New York, as Purchase Contract Agent on behalf of the holders of certain securities of RC Trust I and the Company, Collateral Account subject to the security interest of Bank One Trust Company, N.A., as Collateral Agent, for the benefit of Raytheon Company, as pledgee" and any successor account.

"Collateral Agent" has the meaning specified in the first paragraph of  
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this Agreement.

"Common Stock" has the meaning specified in the Recitals.  
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"Company" means the Person named as the "Company" in the first  
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paragraph of this Agreement until a successor shall have become such, and thereafter "Company" shall mean such successor.

"Custodial Agent" has the meaning specified in the first paragraph of  
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this Agreement.

"Declaration" means the Amended and Restated Declaration of Trust,  
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dated as of May 9, 2001 among the Company, as sponsor, the trustees named therein and the holders from time to time of undivided beneficial interests in the assets of the Trust.

"Indenture Trustee" means The Bank of New York, a New York banking  
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corporation, in its capacity as trustee under the Indenture (as defined in the Purchase Contract

Agreement) until a successor is appointed thereunder, and thereafter means such successor trustee.

"Intermediary" means any entity that in the ordinary course of its  
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business maintains securities accounts for others and is acting in that capacity.

"Person" means a legal person, including any individual, estate,  
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corporation, limited liability company, partnership, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or other entity of any kind.

"Pledge" has the meaning specified in Section 2.1 hereof.  
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"Pledged Treasury Consideration" has the meaning specified in Section  
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2.1 hereof.

"Pledged Treasury Securities" has the meaning specified in Section 2.1  
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hereof.

"Pledged Trust Preferred Securities" has the meaning specified in  
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Section 2.1 hereof.

"Proceeds" means all interest, dividends, cash, instruments,  
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securities, financial assets (as defined in Sections 8-102(a)(9) of the Code) and other property from time to time received, receivable or otherwise distributed upon the sale, exchange, collection or disposition of the Collateral or any proceeds thereof.

"Purchase Contract" has the meaning specified in the Recitals.  
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"Purchase Contract Agent" has the meaning specified in the first  
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paragraph of this Agreement.

"Purchase Contract Agreement" has the meaning specified in the  
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Recitals.

"Quotation Agent" has the meaning set forth in the Declaration.  
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"Securities Intermediary" has the meaning specified in the first  
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paragraph of this Agreement.

"Security Entitlement" has the meaning set forth in Section  
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8-102(a)(17) of the Code.

"Separate Trust Preferred Securities" means any Trust Preferred  
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Securities that are not Pledged Trust Preferred Securities.

"Stock Purchase Date" has the meaning specified in the Recitals.  
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"Subordinated Notes" has the meaning set forth in the Declaration.  
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"Redemption Amount" has the meaning set forth in the Declaration.  
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"Redemption Price" has the meaning set forth in the Declaration.  
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"Tax Event" means the receipt by the Company and the Trust of an  
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opinion of counsel, rendered by a law firm having a recognized national tax practice, to the effect that, as a result of any amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative decision, pronouncement, judicial decision or action interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement, action or decision is announced on or after the Closing Date, there is more than an insubstantial increase in the risk that (i) the Trust is, or within 90 days of the date of such opinion will be, subject to United States federal income tax with respect to income received or accrued on the Notes, (ii) interest (or original issue discount) payable by the Company on the Notes is not, or within 90 days of the date of such opinion will not be, deductible by the Company, in whole or in part, for United States federal income tax purposes, or (iii) the Trust is, or within 90 days of the date of such opinion will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.  
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"Tax Event Redemption" means that a Tax Event has occurred and is  
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continuing and the Notes have been called for redemption pursuant to the Indenture.

"Tax Event Redemption Date" shall mean the date specified by the  
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Subordinated Notes Issuer on which the Subordinated Notes are redeemed pursuant to a Tax Event Redemption pursuant to the Indenture.

"TRADES" means the Treasury/Reserve Automated Debt Entry System  
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maintained by the Federal Reserve Bank of New York pursuant to the TRADES Regulations.

"TRADES Regulations" means the regulations of the United States  
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Department of the Treasury, published at 31 C.F.R. Part 357, as amended from time to time. Unless otherwise defined herein, all terms defined in the TRADES Regulations are used herein as therein defined.

"Transfer" means, with respect to the Collateral and in accordance  
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with the instructions of the Collateral Agent, the Purchase Contract Agent or the Holder, as applicable:

(i) in the case of Collateral consisting of securities which cannot be delivered by book-entry or which the parties agree are to be delivered in physical form, delivery in appropriate physical form to the recipient accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(ii) in the case of Collateral consisting of securities maintained in book-entry form by causing a "securities intermediary" (as defined in  
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Section 8-102(a)(14) of the Code) to (a) credit a "security entitlement"  
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(as defined in Section 8-102(a)(17) of the Code) with respect to such securities to a "securities account" (as defined in Section 8-501(a) of the  
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Code) maintained by or on behalf of the recipient and (b) to issue a confirmation to the recipient with respect to such credit. In the case of Collateral to be delivered to the Collateral Agent, the Securities Intermediary shall be the securities intermediary and the securities account shall be the Collateral Account.

"Treasury Portfolio" shall have the meaning set forth in the  
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Declaration.

"Trust" has the meaning specified in the Recitals.  
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"Trust Preferred Securities" has the meaning specified in the  
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 Recitals.

"Units" means the Normal Units and Stripped Units , as the case may  
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 be.

## ARTICLE II. PLEDGE; CONTROL AND PERFECTION

SECTION 2.1. The Pledge. The Holders from time to time acting through  
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the Purchase Contract Agent, as their attorney-in-fact, and the Purchase Contract Agent, as such attorney-in-fact, hereby pledge and grant to the Collateral Agent, for the benefit of the Company, as collateral for the performance when due by such Holders of their respective obligations under the related Purchase Contracts, a security interest in all of the right, title and interest of the Purchase Contract Agent and such Holders (a) in (i) the Trust Preferred Securities, Treasury Consideration and Treasury Securities constituting a part of the Units, (ii) any Treasury Securities delivered in exchange for any Trust Preferred Securities or Treasury Consideration, as applicable, in accordance with Section 4.1 hereof, and (iii) any Trust Preferred Securities or Treasury Consideration, as applicable, delivered in exchange for any Treasury Securities in accordance with Section 4.2 hereof, in each case, that have been Transferred to or otherwise received by the Collateral Agent and not released by the Collateral Agent to such Holders under the provisions of this Agreement; (b) in the Collateral Account and all securities, financial assets, security entitlements, cash and other property credited thereto and all Security Entitlements related thereto; (c) in any Notes delivered to the Collateral Agent upon the occurrence of a winding up, liquidation or termination of the Trust as provided in Section 6.2; and (d) all Proceeds of the foregoing (all of the foregoing, collectively, the "Collateral"). Prior to or concurrently

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 with the execution and delivery of this Agreement, the Purchase Contract Agent, on behalf of the initial Holders of the Securities, shall cause the Trust Preferred Securities comprising a part of the Normal Units to be Transferred to the Collateral Agent for the benefit of the Company. Such Trust Preferred Securities shall be Transferred by physically delivering the global certificate representing such securities to the Securities Intermediary indorsed in blank and causing the Securities Intermediary to credit the Collateral Account with such securities and sending the Collateral Agent a confirmation of the deposit of such securities. Treasury Securities and Treasury Consideration, as applicable, shall be Transferred to the Collateral Account maintained by the Collateral Agent at the Securities Intermediary by book-entry transfer to the Collateral Account in accordance with the TRADES Regulations and other applicable law and by the notation by the Securities Intermediary on its books that a Security Entitlement with respect to such Treasury Securities or Treasury Consideration, has been credited to the Collateral Account. For purposes of perfecting the pledge under applicable law, including, to the extent applicable, the TRADES Regulations or the Uniform Commercial Code as adopted and in effect in any applicable jurisdiction, the Collateral Agent shall be the agent of the Company as provided herein.

The pledge provided in this Section 2.1 is herein referred to as the "Pledge" and the Trust Preferred Securities (or the Notes that are delivered

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pursuant to Section 6.2), Treasury Consideration or Treasury Securities subject to the Pledge, excluding any Trust Preferred Securities (or the Notes that are delivered pursuant to Section 6.2), Treasury Consideration or Treasury Securities released from the Pledge as provided in Sections 4.1 and 4.2, respectively, are hereinafter referred to as "Pledged Trust Preferred

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Securities," "Pledged Treasury Consideration" or the "Pledged Treasury

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Securities," respectively. Subject to the Pledge and the provisions of Section

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2.2, the Holders from time to time shall have full beneficial ownership of the Collateral. Whenever directed by the Collateral Agent acting on behalf of the Company, the Securities Intermediary shall have the right to reregister the Trust Preferred Securities or any other Securities held in physical form in its name.

Except as may be required in order to release Trust Preferred Securities or Treasury Consideration, as applicable, in connection with a Holder's election to convert its investment from a Normal Unit to a Stripped Unit, or except as otherwise required to release Trust Preferred Securities as specified herein, neither the Collateral Agent, the Custodial Agent nor the Securities Intermediary shall relinquish physical possession of any certificate evidencing a Trust Preferred Security prior to the termination of this Agreement. If it becomes necessary for the Securities Intermediary to relinquish physical possession of a certificate in order to release a portion of the Trust Preferred Securities evidenced thereby from the Pledge, the Securities Intermediary shall use its best efforts to obtain physical possession of a replacement certificate evidencing any Trust Preferred Securities remaining subject to the Pledge hereunder registered to it or endorsed in blank within fifteen days of the date it relinquished possession. The Securities Intermediary shall promptly notify the Company and the Collateral Agent of the Securities Intermediary's failure to obtain possession of any such replacement certificate as required hereby.

SECTION 2.2. Control and Perfection. (a) In connection with the

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Pledge granted in Section 2.1, and subject to the other provisions of this Agreement, the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, hereby authorize and direct the Securities Intermediary (without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders), and the Securities Intermediary agrees, to comply with and follow any instructions and entitlement orders (as defined in Section 8-102(a)(8) of the Code) that the Collateral Agent may deliver upon the written direction of the Company with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect to any thereof. In the event the Securities Intermediary receives from the Holders or the Purchase Contract Agent entitlement orders which conflict with entitlement orders received from the Collateral Agent, the Securities Intermediary shall follow the entitlement orders received from the Collateral Agent. Such instructions and entitlement orders may, without limitation, direct the Securities Intermediary to transfer, redeem, assign, or otherwise deliver the Trust Preferred Securities, the Treasury Consideration, the Treasury Securities, and any Security Entitlements with respect thereto or sell, liquidate or dispose of such assets through a broker designated by the Company, and to pay and deliver any income, proceeds or other funds derived therefrom to the Company. The Holders from time to time acting through the Purchase Contract Agent hereby further authorize and direct the Collateral Agent, as agent of the Company, to, upon written direction of the Company, itself issue instructions and entitlement orders, and to otherwise take action, with respect to the Collateral Account, the Collateral

credited thereto and any Security Entitlements with respect thereto, pursuant to the terms and provisions hereof, all without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders. The Collateral Agent shall be the agent of the Company and shall act as directed in writing by the Company. Without limiting the generality of the foregoing, the Collateral Agent shall issue entitlement orders to the Securities Intermediary when and as directed in writing by the Company.

(b) The Securities Intermediary hereby confirms and agrees that: (i) all securities or other property underlying any financial assets credited to the Collateral Account shall be registered in the name of the Securities Intermediary, or its nominee, indorsed to the Securities Intermediary, or its nominee, or in blank or credited to another Collateral Account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Collateral Account be registered in the name of the Purchase Contract Agent, the Collateral Agent, the Company or any Holder, payable to the order of, or specially indorsed to, the Purchase Contract Agent, the Collateral Agent, the Company or any Holder except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank; (ii) all property delivered to the Securities Intermediary pursuant to this Pledge Agreement (including, without limitation, any Trust Preferred Securities, the Treasury Consideration or Treasury Securities) will be promptly credited to the Collateral Account; (iii) the Collateral Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat the Purchase Contract Agent as entitled to exercise the rights of any financial asset credited to the Collateral Account; (iv) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other person relating to the Collateral Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the Code) of such other person; and (v) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Company, the Collateral Agent or the Purchase Contract Agent purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in this Section 2.2.

(c) The Securities Intermediary hereby agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Collateral Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the Code.

(d) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail.

(e) The Purchase Contract Agent hereby irrevocably constitutes and appoints the Collateral Agent and the Company, with full power of substitution, as the Purchase Contract Agent's attorney-in-fact to take on behalf of, and in the name, place and stead of the Purchase Contract Agent and the Holders, any action necessary or desirable to perfect and to keep perfected the security interest in the Collateral referred to in Section 2.1. The grant of such power-of-attorney shall not be deemed to require of the Collateral Agent any specific duties or obligations not otherwise assumed by the Collateral Agent hereunder. Notwithstanding the

foregoing, in no event shall the Collateral Agent, Securities Intermediary or Purchase Contract Agent be responsible for the preparation or filing of any financing or continuation statements in the appropriate jurisdictions or responsible for maintenance or perfection of any Security Interest hereunder.

(f) On the date of initial issuance of the Securities, the Company shall file in the Office of the Secretary of the State of New York, a financing statement signed by the Purchase Contract Agent, as attorney-in-fact for the Holders, as debtors, and the Collateral Agent, describing the Collateral.

#### ARTICLE III. DISTRIBUTIONS ON PLEDGED COLLATERAL

So long as the Purchase Contract Agent is the registered owner of the Pledged Trust Preferred Securities or Pledged Treasury Consideration, it shall receive all payments thereon. If the Pledged Trust Preferred Securities are reregistered, such that the Collateral Agent becomes the registered holder, all payments of the Stated Amount of or cash distributions on the Pledged Trust Preferred Securities and all payments of the principal of, or cash distributions on, any Pledged Treasury Consideration or Pledged Treasury Securities, that are received by the Collateral Agent and that are properly payable hereunder shall be paid by the Collateral Agent by wire transfer in same day funds:

(i) In the case of (A) quarterly cash distributions on Normal Units which include Pledged Trust Preferred Securities or Pledged Treasury Consideration and (B) any payments with respect to any Trust Preferred Securities or Treasury Consideration, as the case may be, that have been released from the Pledge pursuant to Section 4.3, to the Purchase Contract Agent, for the benefit of the relevant Holders of the Normal Units, to the account designated by the Purchase Contract Agent for such purpose, no later than 10:00 a.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 9:00 a.m., New York City time, on a Business Day, then such payment shall be made no later than 9:30 a.m., New York City time, on the next succeeding Business Day);

(ii) In the case of any payments with respect to any Treasury Securities that have been released from the Pledge pursuant to Section 4.3, to the Holders of the Stripped Units to the accounts designated by them in writing for such purpose no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 10:00 a.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day); and

(iii) In the case of payments in respect of any Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, to the Company on the Stock Purchase Date in accordance with the procedure

set forth in Section 4.5(a) or 4.5(b), in full satisfaction of the respective obligations of the Holders under the related Purchase Contracts.

All payments received by the Purchase Contract Agent as provided herein shall be applied by the Purchase Contract Agent pursuant to the provisions of the Purchase Contract Agreement. If, notwithstanding the foregoing, the Purchase Contract Agent shall receive any payments of the Stated Amount on account of any Trust Preferred Security or principal of any Treasury Consideration, as applicable, that, at the time of such payment, is a Pledged Trust Preferred Security or Pledged Treasury Consideration, as the case may be, or a Holder of a Stripped Unit shall receive any payments of principal on account of any Treasury Securities that, at the time of such payment, are Pledged Treasury Securities, the Purchase Contract Agent or such Holder shall hold the same as trustee of an express trust for the benefit of the Company (and promptly deliver the same over to the Company) for application to the obligations of the Holders under the related Purchase Contracts, and the Holders shall acquire no right, title or interest in any such payments of Stated Amount or principal so received.

ARTICLE IV. SUBSTITUTION, RELEASE, REPLEDGE AND  
SETTLEMENT OF TRUST PREFERRED SECURITIES

SECTION 4.1. Substitution for Trust Preferred Securities or Treasury

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Consideration and the Creation of Stripped Units. So long as no Tax Event  
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Redemption shall have occurred, and the Trust shall not have been wound up, liquidated or terminated, at any time on or prior to the second Business Day immediately preceding the Stock Purchase Date, a Holder of Normal Units shall have the right to substitute Treasury Securities for the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, securing such Holder's obligations under the Purchase Contracts comprising a part of such Normal Units, in integral multiples of 20 Normal Units, or after a remarketing of the Trust Preferred Securities, in integral multiples of Normal Units such that Treasury Securities to be deposited and the applicable Treasury Consideration to be released are in integral multiples of \$1,000, by (a) Transferring to the Collateral Agent Treasury Securities having an aggregate principal amount equal to the aggregate Stated Amount of such Normal Units and (b) delivering such Normal Units to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent stating that such Holder has Transferred Treasury Securities to the Collateral Agent pursuant to clause (a) above (stating the principal amount, the maturities and the CUSIP numbers of the Treasury Securities Transferred by such Holder) and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, related to such Normal Units, whereupon the Purchase Contract Agent shall promptly give such instruction to the Collateral Agent in the form provided in Exhibit A hereto. Upon receipt of Treasury Securities from a Holder of Normal Units and the related instruction from the Purchase Contract Agent, the Collateral Agent shall release the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, and shall promptly Transfer such Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, free and clear of any lien, pledge or security interest created hereby, to the Purchase Contract Agent. All items Transferred and/or substituted by any Holder pursuant to this Section 4.1,

Section 4.2 or any other Section of this Agreement shall be Transferred and/or substituted free and clear of all liens, claims and encumbrances.

(b) Tax Event Redemption.

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Upon the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the Redemption Price payable on the Tax Event Redemption Date with respect to the Applicable Principal Amount shall be deposited in the Collateral Account in exchange for the Pledged Treasury Securities or the Pledged Trust Preferred Securities, as the case may be. Thereafter, pursuant to the terms of the Pledge Agreement, the Collateral Agent shall cause the Securities Intermediary to apply an amount equal to the Redemption Amount of such Redemption Price to purchase on behalf of the Holders of Normal Units the Treasury Portfolio and promptly remit the remaining portion of such Redemption Price, if any, to the Purchase Contract Agent for payment to the Holders of such Normal Units. The Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio will be substituted as Collateral for the Pledged Treasury Securities or the Pledged Trust Preferred Securities, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of Normal Units to purchase the Common Stock of the Company under the Purchase Contract constituting a part of such Normal Units. The Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio shall be transferred by the Securities Intermediary to the Purchase Contract Agent, free and clear of any lien, pledge or security interest created by the Pledge Agreement. Following the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the Holders of Normal Units and the Collateral Agent shall have such security interest rights and obligations with respect to the Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio as the Holders of Normal Units and the Collateral Agent had in respect of the Treasury Securities or Trust Preferred Securities, as the case may be, subject to the Pledge thereof as provided in Articles II, III, IV, V, and VI of the Pledge Agreement, and any reference herein to the Treasury Securities or the Trust Preferred Securities shall be deemed to be reference to such Treasury Portfolio. The Company may cause to be made in any Normal Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the liquidation of the Trust and the substitution of the Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio for Treasury Securities or Trust Preferred Securities as Collateral. If a Tax Event Redemption occurs after the Stock Purchase Date, the Treasury Portfolio will not be purchased and the proceeds applicable to the Trusts Preferred Securities will be distributed to the Purchase Contract Agent for payment to the holders of the Trust Preferred Securities. If a Tax Event Redemption occurs, Holders of Securities that are not part of the Units will directly receive proceeds from the redemption of the Notes.

(c) If no Tax Event Redemption shall have occurred, but the Trust shall have been wound-up, liquidated or terminated, and the Subordinated Notes shall have become a component of the Normal Units, at any time on or prior to the seventh Business Day immediately preceding the Stock Purchase Date, a Holder of Normal Units shall have the right to substitute Treasury Securities for the Pledged Subordinated Notes comprising a part of such Holder's Normal Units in integral multiples of 20 Normal Units by (a) Transferring to the Securities Intermediary for credit to the Collateral Account Treasury Securities having a value equal to the aggregate principal amount at maturity of Pledged Subordinated Notes to be released,

accompanied by a notice, substantially in the form of Exhibit C to the Purchase Contract Agreement, whereupon the Purchase Contract Agent shall deliver to the Collateral Agent a notice, substantially in the form of Exhibit A hereto, (i) stating that such Holder has Transferred Treasury Securities to the Securities Intermediary for credit to the Collateral Account, (ii) stating the value of the Treasury Securities Transferred by such Holder and (iii) requesting that the Collateral Agent release from the Pledge the Pledged Subordinated Notes that are a component of such Normal Units and (b) delivering the related Normal Units to the Purchase Contract Agent. Upon receipt of such notice and confirmation that Treasury Securities have been credited to the Collateral Account as described in such notice, the Collateral Agent shall instruct the Securities Intermediary by a notice, substantially in the form of Exhibit [B] hereto, to release such Pledged Subordinated Notes from the Pledge by Transfer to the Purchase Contract Agent for distribution to such Holder.

(d) Upon credit to the Collateral Account of Treasury Securities delivered by a Holder of Normal Units and receipt of the related instruction from the Collateral Agent, the Securities Intermediary shall release the Pledged Treasury Securities or the Pledged Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio or the Pledged Trust Preferred Securities, as the case may be, and shall promptly transfer the same to the Purchase Contract Agent for distribution to such Holder, free and clear of any lien, pledge or security interest created hereby.

SECTION 4.2. Substitution for Treasury Securities and the Creation

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of Normal Units. So long as no Tax Event Redemption shall have occurred, and  
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the Trust shall not have been wound up, liquidated or terminated, at any time on or prior to the second Business Day immediately preceding the Stock Purchase Date, a Holder of Stripped Units shall have the right to reestablish Normal Units (a) consisting of the Purchase Contracts and Trust Preferred Securities in integral multiples of 20 Normal Units, or (a) after a remarketing of the Trust Preferred Securities or a Tax Event Redemption pursuant to the Purchase Contract Agreement, consisting of the Purchase Contracts and the appropriate Treasury Consideration (identified and calculated by reference to the Treasury Consideration then comprising Normal Units) in integral multiples of Stripped Units such that the Treasury Consideration to be deposited and the Treasury Securities to be released are in integral multiples of \$1,000, by (x) Transferring to the Collateral Agent Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, then comprising such number of Normal Units as is equal to such Stripped Units and (y) delivering such Stripped Units to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent stating that such Holder has transferred Trust Preferred Securities or Treasury Consideration to the Collateral Agent pursuant to clause (a) above and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Treasury Securities related to such Stripped Units, whereupon the Purchase Contract Agent shall give such instruction to the Collateral Agent in the form provided in Exhibit A. Upon receipt of the Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, from such Holder and the instruction from the Purchase Contract Agent, the Collateral Agent shall release the Pledged Treasury Securities and shall promptly Transfer such Treasury Securities, free and clear of any lien, pledge or security interest created hereby, to the Purchase Contract Agent.



(b) If a Tax Event Redemption has occurred and the Treasury Portfolio has become a component of the Normal Units, at any time on or prior to the second Business Day immediately preceding the Stock Purchase Date, a Holder of Stripped Units shall have the right to reestablish Normal Units by substitution of an Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio for Pledged Treasury Securities in integral multiples of 20 Stripped Units by (a) Transferring to the Securities Intermediary for credit to the Collateral Account an Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio equal to the value of the Pledged Treasury Securities to be released, accompanied by a notice, substantially in the form provided in Exhibit C to the Purchase Contract Agreement, whereupon the Purchase Contract Agent shall deliver to the Collateral Agent a notice, substantially in the form of Exhibit C hereto, stating that such Holder has Transferred an Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio to the Securities Intermediary for credit to the Collateral Account and requesting that the Collateral Agent release from the Pledge the Pledged Treasury Securities related to such Stripped Units and (b) delivering the related Stripped Units to the Purchase Contract Agent. Upon receipt of such notice and confirmation that an Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio equal to the value of the Pledged Treasury Securities to be released has been credited to the Collateral Account as described in such notice, the Collateral Agent shall instruct the Securities Intermediary by a notice in the form provided in Exhibit [D] to release such Pledged Treasury Securities from the Pledge by Transfer to the Purchase Contract Agent for distribution to such Holder.

(c) If no Tax Event Redemption shall have occurred, but the Trust shall have been wound-up, liquidated or terminated, and the Subordinated Notes shall have become a component of the Normal Units, at any time on or prior to the seventh Business Day immediately preceding the Stock Purchase Date, a Holder of Stripped Units shall have the right to reestablish Normal Units by substitution of Subordinated Notes for Pledged Treasury Securities in integral multiples of 20 Stripped Units by (a) Transferring to the Securities Intermediary for credit to the Collateral Account Subordinated Notes having a principal amount equal to the value of the Pledged Treasury Securities to be released, accompanied by a notice, substantially in the form of Exhibit C to the Purchase Contract Agreement, whereupon the Purchase Contract Agent shall deliver to the Collateral Agent a notice, substantially in the form of Exhibit [C] hereto, stating that such Holder has Transferred Subordinated Notes to the Securities Intermediary for credit to the Collateral Account and requesting that the Collateral Agent release from the Pledge the Pledged Treasury Securities related to such Stripped Units and (2) delivering the related Stripped Units to the Purchase Contract Agent. Upon receipt of such notice and confirmation that Subordinated Notes have been credited to the Collateral Account as described in such notice, the Collateral Agent shall instruct the Security Intermediary by a notice in the form provided in Exhibit D to release such Pledged Treasury Securities from the Pledge by Transfer to the Purchase Contract Agent for distribution to such Holder.

(d) Upon credit to the Collateral Account of Trust Preferred Securities or security entitlements thereto, or an appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio or Trust Preferred Securities, as the case may be, and receipt of the related instruction from the Collateral Agent, the Securities Intermediary shall release the applicable Pledged Treasury Securities and shall promptly

Transfer the same to the Purchase Contract Agent for distribution to such Holder, free and clear of any lien, pledge or security interest created hereby.

SECTION 4.3. Termination Event. Upon receipt by the Collateral Agent

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of written notice from the Company or the Purchase Contract Agent that there has occurred a Termination Event, the Collateral Agent shall release all Collateral from the Pledge and shall promptly Transfer (a) any Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, (if a Tax Event Redemption has occurred and the Treasury Portfolio has become a component of the Normal Units) or the Pledged Trust Preferred Securities (if the Trust has been wound-up, liquidated or terminated, and the Trust Preferred Securities have become a component of the Normal Units) and any Pledged Treasury Securities to the Purchase Contract Agent for the benefit of the Holders of the Normal Units and the Stripped Units, respectively, free and clear of any lien, pledge or security interest or other interest created hereby.

If such Termination Event shall result from the Company's becoming a debtor under the Bankruptcy Code, and if the Collateral Agent shall for any reason fail promptly to effectuate the release and Transfer of all Pledged Trust Preferred Securities, Pledged Treasury Consideration or of the Pledged Treasury Securities, as the case may be, as provided by this Section 4.3, the Purchase Contract Agent shall (i) use its best efforts to obtain an opinion of a nationally recognized law firm reasonably acceptable to the Collateral Agent to the effect that, as a result of the Company's being the debtor in such a bankruptcy case, the Collateral Agent will not be prohibited from releasing or Transferring the Collateral as provided in this Section 4.3, and shall deliver such opinion to the Collateral Agent within ten calendar days after the occurrence of such Termination Event, and if (y) the Purchase Contract Agent shall be unable to obtain such opinion within ten calendar days after the occurrence of such Termination Event or (z) the Collateral Agent shall continue, after delivery of such opinion, to refuse to effectuate the release and Transfer of all Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, as provided in this Section 4.3, then the Purchase Contract Agent shall within fifteen calendar days after the occurrence of such Termination Event commence an action or proceeding in the court with jurisdiction of the Company's case under the Bankruptcy Code seeking an order requiring the Collateral Agent to effectuate the release and transfer of all Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, as provided by this Section 4.3 or (ii) commence an action or proceeding like that described in subsection (i)(z) hereof within ten calendar days after the occurrence of such Termination Event.

SECTION 4.4. Early Settlement; Merger Early Settlement. Upon written

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notice to the Collateral Agent by the Purchase Contract Agent that one or more Holders of Securities have elected to effect Early Settlement or Merger Early Settlement of their respective obligations under the Purchase Contracts forming a part of such Securities in accordance with the terms of the Purchase Contracts and the Purchase Contract Agreement (setting forth the number of such Purchase Contracts as to which such Holders have elected to effect Early Settlement or Merger Early Settlement), and that the Purchase Contract Agent has received from such Holders, and paid to the Company as confirmed in writing by the Company, the related Early Settlement Amounts or Merger Early Settlement Amounts, as the case may be, pursuant to the terms of the Purchase Contracts and the Purchase Contract Agreement, and that all conditions to such Early Settlement or Merger Early Settlement, as the case may be, have been satisfied, then the

Collateral Agent shall release from the Pledge, (a) Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, in the case of a Holder of Normal Units or (b) Pledged Treasury Securities, in the case of a Holder of Stripped Units, relating to such Purchase Contracts as to which such Holders have elected to effect Early Settlement or Merger Early Settlement, and shall Transfer all such Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, free and clear of the Pledge created hereby, to the Purchase Contract Agent for the benefit of the Holders.

SECTION 4.5. Remarketing; Application of Proceeds; Settlement. (a)

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Pursuant to the Purchase Contract Agreement, the Purchase Contract Agent shall notify, by 3:00 pm., New York City time, on the [second] Business Day immediately preceding the Remarketing Date or any Subsequent Remarketing Date, as the case may be, the Remarketing Agent and the Collateral Agent of the aggregate number of Trust Preferred Securities comprising part of Normal Units to be remarketed. The Collateral Agent shall deliver, by 10:00 a.m., New York City time, on the first Business Day immediately preceding the Remarketing Date or any Subsequent Remarketing Date, as the case may be: (i) the Pledged Trust Preferred Securities to be remarketed to the Remarketing Agent for remarketing, without any instruction from Holders of Normal Units, and (ii) upon (a) written notice, pursuant to the Purchase Contract Agreement, from such Holders that have elected to not participate in the remarketing and b) the delivery by such Holders of the Opt-out Treasury Consideration to the Collateral Agent (in substitution for such previously Pledged Trust Preferred Securities the remaining Pledged Trust Preferred Securities), the remaining Pledged Trust Preferred Securities to the Purchase Contract Agent for distribution to such Holders.. The Remarketing Agent will deliver the Agent-purchased Treasury Consideration (as defined in the Purchase Contract Agreement) purchased from the proceeds of the remarketing to the Purchase Contract Agent, which shall thereupon deliver such Agent-purchased Treasury Consideration to the Collateral Agent. Upon receipt of the Agent-purchased Treasury Consideration from the Purchase Contract Agent following a successful remarketing, the Collateral Agent, for the benefit of the Company, shall thereupon deposit such Treasury Consideration into the Collateral Account to secure such Holders' obligations under the Purchase Contracts. On the Stock Purchase Date, the Collateral Agent shall apply that portion of the payments received in respect of the Pledged Treasury Consideration equal to the aggregate Stated Amount of the related Normal Units to satisfy in full the obligations of such Holders of Normal Units to pay the Purchase Price under the related Purchase Contracts. The remaining portion of such Proceeds, if any, shall be distributed by the Collateral Agent to the Purchase Contract Agent for prompt payment to such Holders.

Within three Business Days following a Failed Remarketing, the Trust Preferred Securities delivered to the Remarketing Agent and the Purchase Contract Agent pursuant to Section 4.5(a) shall be returned to the Collateral Agent, together with written notice from the Remarketing Agent of the Failed Remarketing. The Collateral Agent, for the benefit of the Company, shall thereupon deposit such Trust Preferred Securities into the Collateral Account, to secure the Normal Units Holders' obligations under the Purchase Contracts. The Remarketing Agent may make one or more attempts to remarket the Trust Preferred Securities in accordance with the procedures set forth in the Purchase Contract Agreement and the Remarketing Agreement between the Remarketing Date and the Stock Purchase Date, provided that the requirements of Section 5.2(b)(ii) of the Purchase Contract Agreement have been met. If by the Stock Purchase Date the Remarketing Agent has failed to remarket the Trust Preferred Securities

at 100.25% of the Remarketing Value (as described in the Purchase Contract Agreement), the Remarketing Agent shall advise the Collateral Agent in writing that it cannot remarket the related Pledged Trust Preferred Securities of such Holders of Normal Units. The Collateral Agent, for the benefit of the Company will, at the written direction of the Company, retain or dispose of the Pledged Trust Preferred Securities in accordance with applicable law and satisfy in full, from any such disposition or retention, such Holders' obligations to pay the Purchase Price for the Common Stock; provided, that if upon a Failed Remarketing, the Collateral Agent exercises such rights for the benefit of the Company with respect to such Trust Preferred Securities, any accumulated and unpaid distributions on such Trust Preferred Securities will become payable by the Company to the Purchase Contract Agent for payment to the Holder of the Normal Units to which such Trust Preferred Securities relates in accordance with the Purchase Contract Agreement.

(b) In the event a Holder of Stripped Units has not made an Early Settlement or Merger Early Settlement of the Purchase Contracts underlying its Stripped Units, such Holder shall be deemed to have elected to pay for the shares of Common Stock to be issued under such Purchase Contracts from the payments received in respect of the related Pledged Treasury Securities. Without receiving any instruction from any such Holder of Stripped Units, the Collateral Agent shall apply such payments to the settlement of such Purchase Contracts on the Stock Purchase Date. In the event the payments received in respect of the related Pledged Treasury Securities are in excess of the aggregate Purchase Price of the Purchase Contracts being settled thereby, the Collateral Agent shall promptly distribute such excess, when received, to the Purchase Contract Agent for the benefit of the Holders.

(c) Pursuant to the Remarketing Agreement, on or prior to the [second] Business Day immediately preceding the Remarketing Date, but no earlier than the Payment Date immediately preceding the Remarketing Date, holders of Separate Trust Preferred Securities may elect to have their Separate Trust Preferred Securities remarketed by delivering their Separate Trust Preferred Securities, together with a notice of such election, substantially in the form of Exhibit C hereto, to the Custodial Agent. On the [third] Business Day immediately preceding the Remarketing Date, by 10:00 a.m., New York City time, the Custodial Agent shall notify the Remarketing Agent of the number of such Separate Trust Preferred Securities to be remarketed unless any of such holders of Separate Trust Preferred Securities exercise their right to withdraw as described below. The Custodial Agent will hold such Separate Trust Preferred Securities in an account separate from the Collateral Account. A holder of Separate Trust Preferred Securities electing to have its Separate Trust Preferred Securities remarketed will also have the right to withdraw such election by written notice to the Custodial Agent, substantially in the form of Exhibit D hereto, on or prior to the second Business Day immediately preceding the Remarketing Date and any Subsequent Remarketing Date, upon which notice the Custodial Agent will return such Separate Trust Preferred Securities to such holder. [On the [first] Business Day immediately preceding the Remarketing Date or any Subsequent Remarketing Date][discuss], the Custodial Agent will deliver to the Remarketing Agent for remarketing all Separate Trust Preferred Securities delivered to the Custodial Agent pursuant to this Section 4.5(c) and not withdrawn pursuant to the terms hereof prior to such date. The portion of the proceeds from such remarketing equal to the amount calculated in respect of such Separate Trust Preferred Securities as set forth in Section 5.2(b) of the Purchase Contract Agreement will automatically be remitted promptly by the Remarketing Agent to the Custodial Agent for the

benefit of the holders of such Separate Trust Preferred Securities. In addition, after deducting as the remarketing fee an amount not exceeding 25 basis points (.25%) of the total proceeds of such remarketing, the Remarketing Agent will remit to the Custodial Agent the remaining portion of the proceeds, if any, for the benefit of such holders. If, despite using its reasonable best efforts, the Remarketing Agent advises the Custodial Agent in writing that there has been a Failed Remarketing, the Remarketing Agent will promptly return such Trust Preferred Securities to the Custodial Agent for redelivery to such holders. In the event of a dissolution of the Trust and the distribution of the Notes as described in the Declaration, all references to "Separate Trust Preferred Securities" in this Section 4.5(c) shall be deemed to be references to Notes which are not pledged hereunder or required to be part of the Collateral.

#### ARTICLE V. VOTING RIGHTS -- TRUST PREFERRED SECURITIES

The Purchase Contract Agent may exercise, or refrain from exercising, any and all voting and other consensual rights pertaining to the Pledged Trust Preferred Securities or any part thereof for any purpose not inconsistent with the terms of this Agreement and in accordance with the terms of the Purchase Contract Agreement; provided, that the Purchase Contract Agent

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 shall not exercise or, as the case may be, shall not refrain from exercising such right if, in the judgment of the Company, such action would impair or otherwise have a material adverse effect on the value of all or any of the Pledged Trust Preferred Securities; and provided, further, that the Purchase

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 Contract Agent shall give the Company and the Collateral Agent at least five days' prior written notice of the manner in which it intends to exercise, or its reasons for refraining from exercising, any such right. Upon receipt of any notices and other communications in respect of any Pledged Trust Preferred Securities, including notice of any meeting at which holders of Trust Preferred Securities are entitled to vote or solicitation of consents, waivers or proxies of holders of Trust Preferred Securities, the Collateral Agent shall use reasonable efforts to send promptly to the Purchase Contract Agent such notice or communication, and as soon as reasonably practicable after receipt of a written request therefor from the Purchase Contract Agent, execute and deliver to the Purchase Contract Agent such proxies and other instruments in respect of such Pledged Trust Preferred Securities (in form and substance satisfactory to the Collateral Agent) as are prepared by the Purchase Contract Agent with respect to the Pledged Trust Preferred Securities.

#### ARTICLE VI. RIGHTS AND REMEDIES; DISTRIBUTION OF THE NOTES; TAX EVENT REDEMPTION

##### SECTION 6.1. Rights and Remedies of the Collateral Agent. (a) In

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 addition to the rights and remedies available at law or in equity, after an event of default hereunder, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (or any successor thereto) as in effect in the State of New York from time to time (the "Code") (whether or not the Code is in effect in the

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 jurisdiction where the rights and remedies are asserted) and the TRADES Regulations and such additional rights and remedies to which a secured party is entitled under the laws in effect in any

jurisdiction where any rights and remedies hereunder may be asserted. Wherever reference is made in this Agreement to any section of the Code, such reference shall be deemed to include a reference to any provision of the Code which is a successor to, or amendment of, such section. Without limiting the generality of the foregoing, such remedies may include, to the extent permitted by applicable law, (i) retention of the Pledged Trust Preferred Securities or other Collateral in full satisfaction of the Holders' obligations under the Purchase Contracts or (ii) sale of the Pledged Trust Preferred Securities or other Collateral in one or more public or private sales at the written direction of the Company.

(b) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, in the event the Collateral Agent is unable to make payments to the Company on account of any Pledged Treasury Consideration or Pledged Treasury Securities as provided in Article III hereof in satisfaction of the obligations of the Holder of the Securities of which such Pledged Treasury Consideration or Pledged Treasury Securities, as applicable, is a part under the related Purchase Contracts, the inability to make such payments shall constitute an event of default hereunder and the Collateral Agent shall have and may exercise, with reference to such Pledged Treasury Securities or such Pledged Treasury Consideration, as applicable, and such obligations of such Holder, any and all of the rights and remedies available to a secured party under the Code and the TRADES Regulations after default by a debtor, and as otherwise granted herein or under any other law.

(c) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect all payments of (i) the Stated Amount of or, cash distributions on, the Pledged Trust Preferred Securities, or (ii) the principal amount of the Pledged Treasury Consideration or Pledged Treasury Securities, subject, in each case, to the provisions of Article III, and as otherwise granted herein.

(d) The Purchase Contract Agent, individually and as attorney-in-fact for each Holder of Securities, agrees that, from time to time, upon the written request of the Company or the Collateral Agent (acting upon the written request of the Company), the Purchase Contract Agent or such Holder shall execute and deliver such further documents and do such other acts and things as the Company or the Collateral Agent (acting upon the written request of the Company) may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Purchase Contract Agent shall have no liability to any Holder for executing any documents or taking any such acts requested by the Company or the Collateral Agent (acting upon the written request of the Company) hereunder, except for liability for its own negligent act, its own negligent failure to act, its bad faith or its own willful misconduct.

SECTION 6.2. Distribution of the Notes. Upon the occurrence of a

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voluntary or involuntary dissolution of the Trust and satisfaction of the liabilities to creditors of the Trust, if any, a principal amount of the Notes constituting the assets of the Trust and underlying the Trust Preferred Securities equal to the aggregate Stated Amount of the Pledged Trust Preferred Securities shall be delivered to the Collateral Agent in exchange for the Pledged Trust Preferred Securities. In the event the Collateral Agent receives such Notes in respect of Pledged Trust Preferred Securities upon the occurrence of a voluntary or involuntary dissolution of the Trust,

the Collateral Agent shall Transfer such Notes to the Collateral Account in the manner specified herein (including, without limitation, physical delivery thereof as set forth in Section 2.1) for Pledged Trust Preferred Securities to secure the obligations of the Holders of Normal Units to purchase the Company's Common Stock under the related Purchase Contracts. Thereafter, the Collateral Agent shall have such security interests, rights and obligations with respect to such Notes as it had in respect of the Pledged Trust Preferred Securities as provided in Articles II, III, IV, V and VI hereof, and any reference herein to the Trust Preferred Securities or Pledged Trust Preferred Securities shall be deemed to be referring to such Notes.

SECTION 6.3. Substitutions. Whenever a Holder has the right to  
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substitute Treasury Securities, Trust Preferred Securities or Treasury Consideration, as the case may be, for Collateral held by the Collateral Agent, such substitution shall not constitute a novation of the security interest created hereby.

SECTION 6.4. Tax Redemption. Upon the occurrence of a Tax Event  
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Redemption prior to the Stock Purchase Date, the Redemption Price payable on the Tax Event Redemption Date with respect to the Applicable Principal Amount shall be credited to the Collateral Account by the Property Trustee or, if the Trust shall have been dissolved, by the Indenture Trustee on or prior to 12:30 p.m., New York

City time, by federal funds check or wire transfer of immediately available funds. The Collateral Agent is hereby authorized to present the Pledged Treasury Securities or the Pledged Trust Preferred Securities for payment as may be required by their respective terms. Upon receipt of such funds, the Pledged Treasury Securities or Pledged Trust Preferred Securities, as the case may be, shall be released from the Collateral Account. In the event such funds are credited to the Collateral Account, the Collateral Agent, at the written direction of the Company, shall instruct the Securities Intermediary to (a) apply an amount equal to the Redemption Amount of such Redemption Price to purchase the Treasury Portfolio from the Quotation Agent for credit to the Collateral Account and (b) promptly remit the remaining portion of such Redemption Price to the Purchase Contract Agent for payment to the Holders of Normal Units, free and clear of any lien, pledge or security interest created thereby.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES; COVENANTS

SECTION 7.1. Representations and Warranties. The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any representation or warranty made by or on behalf of a Holder), hereby represent and warrant to the Collateral Agent, which representations and warranties shall be deemed repeated on each day a Holder Transfers Collateral that:

(a) such Holder has the power to grant a security interest in and lien on the Collateral;

(b) such Holder is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent, free and clear of any security interest, lien, encumbrance, call, liability

to pay money or other restriction other than the security interest and lien granted under Section 2.1 hereof;

(c) upon the Transfer of the Collateral to the Collateral Account, the Collateral Agent, for the benefit of the Company, will have a valid and perfected first priority security interest therein (assuming that any central clearing operation or any Intermediary or other entity not within the control of the Holder involved in the Transfer of the Collateral, including the Collateral Agent, gives the notices and takes the action required of it hereunder and under applicable law for perfection of that interest and assuming the establishment and exercise of control pursuant to Section 2.2 hereof); and

(d) the execution and performance by the Holder of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Section 2.1 hereof or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

SECTION 7.2. Covenants. The Holders from time to time, acting

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through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any covenant made by or on behalf of a Holder), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

(a) neither the Purchase Contract Agent nor such Holders will create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and

(b) neither the Purchase Contract Agent nor such Holders will sell or otherwise dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the pledge hereunder, transferred in connection with the Transfer of the Securities.

#### ARTICLE VIII. THE COLLATERAL AGENT, CUSTODIAL AGENT AND SECURITIES INTERMEDIARY

SECTION 8.1. Appointment, Powers and Immunities. The Collateral

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Agent shall act as Agent for the Company hereunder with such powers as are specifically vested in the Collateral Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary: (a) shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants or obligations shall be inferred from this Agreement against any of them, nor shall any of them be bound by the provisions of any agreement by any party hereto beyond the specific terms hereof; (b) shall not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Securities or the Purchase Contract



Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against the Collateral Agent), the Securities or the Purchase Contract Agreement or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person (except the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be) to perform any of its obligations hereunder or thereunder or for the perfection, priority or, except as expressly required hereby, existence, validity, perfection or maintenance of any security interest created hereunder; (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (except in the case of the Collateral Agent, pursuant to directions furnished under Section 8.2 hereof, subject to Section 8.6 hereof); (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own gross negligence, bad faith or willful misconduct; and (e) shall not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Securities or other property deposited hereunder. Subject to the foregoing, during the term of this Agreement, the Collateral Agent shall take all reasonable action in connection with the safekeeping and preservation of the Collateral hereunder.

No provision of this Agreement shall require the Collateral Agent, the Custodial Agent or the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. In no event shall the Collateral Agent, the Custodial Agent or the Securities Intermediary be liable for any amount in excess of the value of the Collateral or for indirect, special, punitive or consequential loss or damage of any kind whatsoever, including lost profits, arising in connection with this Agreement, whether or not the likelihood of such loss or damage was known to the Collateral Agent, Custodial Agent, or the Securities Intermediary. Notwithstanding the foregoing, the Collateral Agent, the Custodial Agent, the Purchase Contract Agent and Securities Intermediary, each in its individual capacity, hereby waive any right of setoff, bankers lien, liens or perfection rights as securities intermediary or any counterclaim with respect to any of the Collateral.

The Collateral Agent, Custodial Agent and Securities Intermediary shall have no liability whatsoever for the action or inaction of the Book-Entry System or any Clearing Corporation. In no event shall the Book-Entry System or any Clearing Corporation be deemed an agent or subcustodian of the Collateral Agent, Custodial Agent and Securities Intermediary. The Collateral Agent, Custodial Agent and Securities Intermediary shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority; governmental actions; inability to obtain labor, material, equipment or transportation.

SECTION 8.2. Instructions of the Company. The Company shall have the

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 right, by one or more instruments in writing executed and delivered to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, or of exercising any power conferred on the Collateral Agent, the Custodial

Agent or the Securities Intermediary, as the case may be, or to direct the taking or refraining from taking of any action authorized by this Agreement; provided, however, that (i) such direction shall not conflict with the

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 provisions of any law or of this Agreement and (ii) the Collateral Agent, the Custodial Agent and the Securities Intermediary shall receive indemnity satisfactory to it as provided herein. Nothing in this Section 8.2 shall impair the right of the Collateral Agent in its discretion to take any action or omit to take any action which it deems proper and which is not inconsistent with such direction.

SECTION 8.3. Reliance by Collateral Agent. Each of the Securities

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 Intermediary, the Custodial Agent and the Collateral Agent shall be entitled conclusively to rely upon any certification, order, judgment, opinion, notice or other communication (including, without limitation, any thereof by telephone, facsimile, e-mail or similar electronic means) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein), and upon opinions, advice and statements of legal counsel and other experts selected by the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be. As to any matters not expressly provided for by this Agreement, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Company in accordance with this Agreement.

SECTION 8.4. Rights in Other Capacities. The Collateral Agent, the

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 Custodial Agent and the Securities Intermediary and their affiliates may (without having to account therefor to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Purchase Contract Agent, any Holder of Securities and any holder of Separate Trust Preferred Securities (and any of their respective subsidiaries or affiliates) as if it were not acting as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, and the Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may accept fees and other consideration from the Purchase Contract Agent, any Holder of Securities or any holder of Separate Trust Preferred Securities without having to account for the same to the Company; provided that each of the Securities Intermediary, the Custodial Agent and the Collateral Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself (and waives any right of set-off or banker's lien with respect to) and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral and the Collateral shall not be commingled with any other assets of any such Person.

SECTION 8.5. Non-Reliance on Collateral Agent. None of the

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 Securities Intermediary, the Custodial Agent or the Collateral Agent shall be required to keep itself informed as to the performance or observance by the Purchase Contract Agent or any Holder of Securities of this Agreement, the Purchase Contract Agreement, the Securities or any other document referred to or provided for herein or therein or to inspect the properties or books of the Purchase Contract Agent or any Holder of Securities. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall not have any duty or responsibility to provide the Company or the Remarketing Agent with any credit or other information concerning the affairs, financial condition or business of the Purchase Contract Agent, any Holder of Securities or any holder of

Separate Trust Preferred Securities (or any of their respective subsidiaries or affiliates) that may come into the possession of the Collateral Agent, the Custodial Agent or the Securities Intermediary or any of their respective affiliates.

SECTION 8.6. Compensation and Indemnity. The Company agrees: (i) to

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 pay each of the Collateral Agent, the Custodial Agent and the Securities Intermediary from time to time such compensation as shall be agreed in writing between the Company and the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, for all services rendered by each of them hereunder and (ii) to indemnify the Collateral Agent, the Custodial Agent and the Securities Intermediary for, and to hold each of them harmless from and against, any loss, liability or reasonable expense incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its powers and duties under this Agreement, including the reasonable costs and expenses (including reasonable fees and expenses of counsel) of defending itself against any claim or liability in connection with the exercise or performance of such powers and duties or collecting such amounts. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall each promptly notify the Company of any third party claim which may give rise to the indemnity hereunder and give the Company the opportunity to participate in the defense of such claim with counsel reasonably satisfactory to the indemnified party, and no such claim shall be settled without the written consent of the Company, which consent shall not be unreasonably withheld.

SECTION 8.7. Failure to Act. In the event of any ambiguity in the

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 provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be entitled, after prompt notice to the Company and the Purchase Contract Agent, at its sole option, to refuse to comply with any and all claims, demands or instructions with respect to such property or funds so long as such dispute or conflict shall continue, and neither the Collateral Agent, the Custodial Agent nor the Securities Intermediary shall be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, satisfactory to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or (ii) the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, shall have received security or an indemnity satisfactory to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, sufficient to save the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, harmless from and against any and all loss, liability or reasonable expense which the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, may incur by reason of its acting without bad faith, willful misconduct or gross negligence. The Collateral Agent, the Custodial Agent or the Securities Intermediary may in addition elect to commence an interpleader action or seek other judicial relief or orders as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, may deem necessary. Notwithstanding anything contained herein to the contrary, neither the Collateral Agent, the Custodial Agent nor the Securities Intermediary shall be

required to take any action that is in its opinion contrary to law or to the terms of this Agreement, or which would in its opinion subject it or any of its officers, employees or directors to liability.

SECTION 8.8. Resignation of Collateral Agent, Custodial Agent or

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 Securities Intermediary. Subject to the appointment and acceptance of a  
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successor Collateral Agent, Custodial Agent or Securities Intermediary as provided below, (a) the Collateral Agent, the Custodial Agent and the Securities Intermediary may resign at any time by giving notice thereof to the Company and the Purchase Contract Agent as attorney-in-fact for the Holders of Securities, (b) the Collateral Agent, the Custodial Agent and the Securities Intermediary may be removed at any time by the Company and (c) if the Collateral Agent, the Custodial Agent or the Securities Intermediary fails to perform any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Purchase Contract Agent and such failure shall be continuing, the Collateral Agent, the Custodial Agent or the Securities Intermediary may be removed by the Purchase Contract Agent. The Purchase Contract Agent shall promptly notify the Company of any removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary pursuant to clause (c) of the immediately preceding sentence. Upon any such resignation or removal, the Company shall have the right to appoint a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be. If no successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Collateral Agent's, Custodial Agent's or Securities Intermediary's giving of notice of resignation or such removal, then the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, may at the Company's expense petition any court of competent jurisdiction for the appointment of a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be a bank which has an office in New York, New York with a combined capital and surplus of at least \$50,000,000. Upon the acceptance of any appointment as Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, hereunder by a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, and the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Collateral Agent, Custodial Agent or Securities Intermediary shall, upon such succession, be discharged from its duties and obligations as Collateral Agent, Custodial Agent or Securities Intermediary hereunder. After any retiring Collateral Agent's, Custodial Agent's or Securities Intermediary's resignation hereunder as Collateral Agent, Custodial Agent or Securities Intermediary, the provisions of this Section 8.8 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent, Custodial Agent or Securities Intermediary. Any resignation or removal of the Collateral Agent hereunder shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Custodial Agent and the Securities Intermediary.

SECTION 8.9. Right to Appoint Agent or Advisor. The Collateral Agent

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 shall have the right to appoint agents or advisors in connection with any of its duties hereunder, and the Collateral Agent shall not be liable for any action taken or omitted by, or in reliance upon the

opinion or advice of, such agents or advisors selected in good faith. The appointment of agents (other than legal counsel) pursuant to this Section 8.9 shall be subject to prior consent of the Company, which consent shall not be unreasonably withheld.

SECTION 8.10. Survival. The provisions of this Article VIII shall

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survive termination of this Agreement and the resignation or removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

SECTION 8.11. Exculpation. Anything in this Agreement to the

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contrary notwithstanding, in no event shall any of the Collateral Agent, the Custodial Agent or the Securities Intermediary or their officers, employees or agents be liable under this Agreement to any third party for indirect, special, punitive or consequential loss or damage of any kind whatsoever, including lost profits, whether or not the likelihood of such loss or damage was known to the Collateral Agent, the Custodial Agent or the Securities Intermediary, or any of them, incurred without any act or deed that is found to be attributable to gross negligence, bad faith or willful misconduct on the part of the Collateral Agent, the Custodial Agent or the Securities Intermediary, incurred without any act or deed that is found to be attributable to gross negligence, bad faith or willful misconduct on the part of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

#### ARTICLE IX. AMENDMENT

SECTION 9.1. Amendment Without Consent of Holders. Without the consent

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of any Holders or the holders of any Separate Trust Preferred Securities, the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, at any time and from time to time, may amend this Agreement, in form satisfactory to the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, for any of the following purposes:

(1) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company; or

(2) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company so long as such covenants or such surrender do not adversely affect the validity, perfection or priority of the security interests granted or created hereunder; or

(3) to evidence and provide for the acceptance of appointment hereunder by a successor Collateral Agent, Custodial Agent, Securities Intermediary or Purchase Contract Agent; or

(4) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other such provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

SECTION 9.2. Amendment with Consent of Holders. With the consent of  
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the Holders of not less than a majority of the Purchase Contracts at the time outstanding, by Act of said Holders delivered to the Company, the Purchase Contract Agent or the Collateral Agent, as the case may be, the Company, when duly authorized, the Purchase Contract Agent, the Collateral Agent, the Custodial Agent and the Securities Intermediary may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Holders in respect of the Securities; provided, however, that no  
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such supplemental agreement shall, without the consent of the Holder of each Outstanding Security adversely affected thereby,

(1) change the amount or type of Collateral underlying a Security (except for the rights of holders of Normal Units to substitute the Treasury Securities for the Pledged Trust Preferred Securities or the Pledged Treasury Consideration, as the case may be, or the rights of Holders of Stripped Units to substitute Trust Preferred Securities or the appropriate Treasury Consideration, as applicable, for the Pledged Treasury Securities), impair the right of the Holder of any Security to receive distributions on the underlying Collateral or otherwise adversely affect the Holder's rights in or to such Collateral; or

(2) otherwise effect any action that would require the consent of the Holder of each Outstanding Security affected thereby pursuant to the Purchase Contract Agreement if such action were effected by an agreement supplemental thereto; or

(3) reduce the percentage of Purchase Contracts the consent of whose Holders is required for any such amendment.

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

SECTION 9.3. Execution of Amendments. In executing any amendment  
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permitted by this Section, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent shall receive and (subject to Section 6.1 hereof, with respect to the Collateral Agent, and Section 7.1 of the Purchase Contract Agreement, with respect to the Purchase Contract Agent) shall be fully protected in relying upon, an Opinion of Counsel and Officers' Certificate stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied and, in the case of an amendment pursuant to Section 9.1, that such amendment does not adversely affect the validity, perfection or priority of the security interests granted or created hereunder.

SECTION 9.4. Effect of Amendments. Upon the execution of any amendment  
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under this Article IX, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered under the Purchase Contract Agreement shall be bound thereby.

SECTION 9.5. Reference to Amendments. Certificates authenticated,  
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executed on behalf of the Holders and delivered after the execution of any amendment pursuant to this Section may, and shall if required by the Collateral Agent or the Purchase Contract Agent, bear a notation in form approved by the Purchase Contract Agent and the Collateral Agent as to any matter provided for in such amendment. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Collateral Agent, the Custodial Agent, the Securities Intermediary, the Purchase Contract Agent and the Company, to any such amendment may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent in accordance with the Purchase Contract Agreement in exchange for outstanding Certificates.

## ARTICLE X. MISCELLANEOUS

SECTION 10.1. No Waiver. No failure on the part of any party hereto or  
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any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any party hereto or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

SECTION 10.2. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND  
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CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Without limiting the foregoing, the above choice of law is expressly agreed to by the Securities Intermediary, the Collateral Agent, the Custodial Agent and the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, in connection with the establishment and maintenance of the Collateral Account. The Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Holders from time to time of the Securities, acting through the Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company, the Collateral Agent, the Custodial Agent and the Securities Intermediary and the Holders from time to time of the Securities, acting through the Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 10.3. Notices. Unless otherwise stated herein, all notices,  
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requests, consents and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered to the intended recipient at its name and address below or, as to any party, at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when personally delivered or, in the

case of a mailed notice or notice transmitted by telecopier, upon receipt, in each case given or addressed as aforesaid.

Raytheon Company  
141 Spring Street  
Lexington, Massachusetts 02421  
Attention: Corporate Secretary  
Telephone: (781) 860-2103

Bank One Trust Company, N.A.,  
153 West 51st Street  
New York, NY 10019  
Attention: Corporate Trust Services Division  
Telecopy: (212) 373-1384

The Bank of New York  
101 Barclay Street, Floor 21 West  
New York, New York 10286  
Attention: Corporate Trust Administration,  
Dealing and Trading Group,  
Telecopy: (212) 815-5915

SECTION 10.4. Successors and Assigns. This Agreement shall be binding

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upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, and the Holders from time to time of the Securities, by their acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Purchase Contract Agent.

SECTION 10.5. Counterparts. This Agreement may be executed in any

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number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 10.6. Severability. If any provision hereof is invalid and

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unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.7. Expenses, Etc. The Company agrees to reimburse the

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Collateral Agent, the Securities Intermediary and the Custodial Agent for: (a) all reasonable costs and expenses of the Collateral Agent, the Securities Intermediary and the Custodial Agent (including, without limitation, the reasonable fees and expenses of counsel to the Collateral Agent, the Securities Intermediary and the Custodial Agent), in connection with (i) the negotiation, preparation, execution and delivery or performance of this Agreement and (ii) any modification, supplement or waiver of any of the terms of this Agreement; (b) all reasonable



costs and expenses of the Collateral Agent (including, without limitation, reasonable fees and expenses of counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Securities to satisfy its obligations under the Purchase Contracts forming a part of the Securities and (ii) the enforcement of this Section 10.7; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated hereby.

SECTION 10.8. Security Interest Absolute. All rights of the Collateral

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Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any provision of the Purchase Contracts or the Securities or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of Securities under the related Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Purchase Contract Agreement or any Purchase Contract or any other agreement or instrument relating thereto; or

(c) any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

SECTION 10.9. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES

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THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

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

RAYTHEON COMPANY

By: -----  
Name:  
Title:

Address for Notices:

Raytheon Company  
141 Spring Street  
Lexington, Massachusetts 02421  
Attention: Corporate Secretary  
Telephone: (781) 860-2103

BANK ONE TRUST COMPANY, N.A.,  
as Collateral Agent, Custodial Agent and  
as Securities Intermediary

By: -----  
Name:  
Title:

Address for Notices:

Bank One Trust Company, N.A.,  
153 West 51st Street  
New York, NY 10019  
Attention: Corporate Trust Services  
Division  
Telecopy: (212) 373-1140

THE BANK OF NEW YORK, as  
Purchase Contract Agent

By: -----  
Name:  
Title:

Address for Notices:

The Bank of New York  
101 Barclay Street, Floor 21 West  
New York, New York 10286  
Attention: Corporate Trust  
Administration,  
Dealing and Trading Group,  
Telecopy: (212) 815-5915

INSTRUCTION FROM PURCHASE CONTRACT  
AGENT TO COLLATERAL AGENT

Bank One Trust Company, N.A.  
153 West 51st Street  
New York, NY 10019  
Attention: Corporate Trust Services Division

Re: 8.25%Equity Security Units of Raytheon Company  
(the "Company"), and RC Trust I  
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We hereby notify you in accordance with Section [4.1] [4.2] of the  
Pledge Agreement, dated as of May 9, 2001, (the "Pledge Agreement") among the  
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Company, yourselves, as Collateral Agent, Custodial Agent and Securities  
Intermediary, and ourselves, as Purchase Contract Agent and as attorney-in-fact  
for the holders of [Normal Units] [Stripped Units ] from time to time, that the  
holder of securities listed below (the "Holder") has elected to substitute  
[\$\_\_\_\_\_ aggregate principal amount of Treasury Securities (CUSIP No. \_\_\_\_\_)]  
[\$\_\_\_\_\_ stated liquidation amount of Trust Preferred Securities or \$\_\_\_\_\_]  
principal amount of Treasury Consideration (CUSIP No. \_\_\_\_\_)] in exchange for  
the related [Pledged Trust Preferred Securities or Pledged Treasury  
Consideration] [Pledged Treasury Securities] held by you in accordance with the  
Pledge Agreement and has delivered to us a notice stating that the Holder has  
Transferred [Treasury Securities] [Trust Preferred Securities or the Treasury  
Consideration] to you, as Collateral Agent. We hereby instruct you, upon receipt  
of such [Pledged Treasury Securities] [Pledged Trust Preferred Securities or  
Pledged Treasury Consideration], to release the [Trust Preferred Securities or  
the Treasury Consideration] [Treasury Securities] related to such [Normal Units]  
[Stripped Units ] to us in accordance with the Holder's instructions.  
Capitalized terms used herein but not defined shall have the meaning set forth  
in the Pledge Agreement.

Date: \_\_\_\_\_

By: THE BANK OF NEW YORK

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Please print name and address of Registered Holder electing to  
substitute [Treasury Securities] [Trust Preferred Securities or Treasury  
Consideration] for the [Pledged Trust Preferred Securities or the Pledged  
Treasury Consideration] [Pledged Treasury Securities]:

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Name  
-----  
Address  
-----  
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Social Security or other Taxpayer  
Identification Number, if any

INSTRUCTION TO PURCHASE CONTRACT AGENT

The Bank of New York  
101 Barclay Street, Floor 21 West  
New York, New York 10286  
Attention: Corporate Trust Administration

Re: 8.25% Equity Security Units of Raytheon Company  
(the "Company"), and RC Trust I  
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The undersigned Holder hereby notifies you that it has delivered to Bank One Trust Company, N.A., as Collateral Agent, [\$\_\_\_\_\_ aggregate principal amount of Treasury Securities (CUSIP No. \_\_\_\_\_)] [\$\_\_\_\_\_ aggregate stated liquidation amount of Trust Preferred Securities or \$\_\_\_\_\_ principal amount of Treasury Consideration (CUSIP No. \_\_\_\_\_)] in exchange for the related [Pledged Trust Preferred Securities or Pledged Treasury Consideration] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section 4.1 of the Pledge Agreement, dated as of May 9, 2001 (the "Pledge Agreement"), between you,

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the Company and the Collateral Agent. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Trust Preferred Securities or the Pledged Treasury Consideration] [Pledged Treasury Securities] related to such [Normal Units] [Stripped Units]. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

Please print name and address of Registered Holder:

-----  
Name  
-----  
Address  
-----  
-----

-----  
Social Security or other Taxpayer  
Identification Number, if any

INSTRUCTION TO CUSTODIAL AGENT REGARDING REMARKETING

Bank One Trust Company, N.A.  
153 West 51st Street  
New York, NY 10019  
Attention: Corporate Trust Services Division

Re: 7.01 Preferred Securities and RC Trust I  
-----

The undersigned hereby notifies you in accordance with Section 4.5(c) of the Pledge Agreement, dated as of May 9, 2001 (the "Pledge Agreement"), among

-----  
the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and The Bank of New York, as Purchase Contract Agent and as attorney-in-fact for the Holders of Normal Units and Stripped Units from time to time, that the undersigned elects to deliver \$\_\_\_\_\_ stated liquidation amount of Trust Preferred Securities for delivery to the Remarketing Agent on the [first] Business Day immediately preceding the Remarketing Date or any Subsequent Remarketing Date for remarketing pursuant to Section 4.5(c) of the Pledge Agreement. The undersigned will, upon request of the Remarketing Agent, execute and deliver any additional documents deemed by the Remarketing Agent or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Trust Preferred Securities tendered hereby.

The undersigned hereby instructs you, upon receipt of the proceeds of such remarketing from the Remarketing Agent, net of amounts payable to the Remarketing Agent in accordance with the Pledge Agreement, to deliver such proceeds to the undersigned in accordance with the instructions indicated herein under "A. Payment Instructions." The undersigned hereby instructs you, in the

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event of Failed Remarketing, upon receipt of the Trust Preferred Securities tendered herewith from the Remarketing Agent, to be delivered to the person(s) and the address(es) indicated herein under "B. Delivery Instructions."  
-----

With this notice, the undersigned hereby (i) represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Trust Preferred Securities tendered hereby and that the undersigned is the record owner of any Trust Preferred Securities tendered herewith in physical form or a participant in The Depository Trust Company ("DTC") and the beneficial owner of any Trust Preferred Securities tendered herewith by book-entry transfer to your account at DTC and (ii) agrees to be bound by the terms and conditions of Section 4.5(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

-----  
Name  
\_\_\_\_\_  
Address  
-----  
-----

\_\_\_\_\_  
Social Security or other Taxpayer  
Identification Number, if any

A. PAYMENT INSTRUCTIONS

Proceeds of the remarketing should be paid by check in the name of the person(s) set forth below and mailed to the address set forth below.

Name(s) \_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_  
(Please Print)

-----  
-----  
(Zip Code)

-----  
(Tax Identification or Social Security Number)

B. DELIVERY INSTRUCTIONS

In the event of a Failed Remarketing, Trust Preferred Securities which are in physical form should be delivered to the person(s) set forth below and mailed to the address set forth below.

Name(s) \_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_  
(Please Print)

-----

-----  
(Zip Code)

-----  
(Tax Identification or Social Security Number)

In the event of a Failed Remarketing, Trust Preferred Securities which are in book-entry form should be credited to the account at The Depository Trust Company set forth below.

-----  
DTC Account Number

Name of Account Party: \_\_\_\_\_



INSTRUCTION TO CUSTODIAL AGENT REGARDING  
WITHDRAWAL FROM REMARKETING

Bank One Trust Company, N.A.  
153 West 51st Street  
New York, NY 10019  
Attention: Corporate Trust Services Division

Re: Trust Preferred Securities of Raytheon Company  
(the "Company") and RC Trust I  
-----

The undersigned hereby notifies you in accordance with Section 4.5(c)  
of the Pledge Agreement, dated as of May 9, 2001 (the "Pledge Agreement"), among  
-----

the Company, yourselves, as Collateral Agent, Securities Intermediary and  
Custodial Agent and The Bank of New York, as Purchase Contract Agent and as  
attorney-in-fact for the Holders of Normal Units and Stripped Units from time to  
time, that the undersigned elects to withdraw the \$\_\_\_\_\_ aggregate stated  
liquidation amount of Trust Preferred Securities delivered to the Custodial  
Agent on \_\_\_\_\_, 200[ ] for remarketing pursuant to Section 4.5(c) of the  
Pledge Agreement. The undersigned hereby instructs you to return such Trust  
Preferred Securities to the undersigned in accordance with the undersigned's  
instructions. With this notice, the Undersigned hereby agrees to be bound by the  
terms and conditions of Section 4.5(c) of the Pledge Agreement. Capitalized  
terms used herein but not defined shall have the meaning set forth in the Pledge  
Agreement.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

-----  
Name  
-----  
Address  
-----  
-----

-----  
Social Security or other Taxpayer  
Identification Number, if any

A. DELIVERY INSTRUCTIONS

In the event of a Failed Remarketing, Trust Preferred Securities which are in physical form should be delivered to the person(s) set forth below and mailed to the address set forth below.

Name(s) \_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_  
(Please Print)

-----

-----  
(Zip Code)

-----

(Tax Identification or Social Security Number)

In the event of a Failed Remarketing, Trust Preferred Securities which are in book-entry form should be credited to the account at The Depository Trust Company set forth below.

-----  
DTC Account Number

Name of Account Party: \_\_\_\_\_

BETWEEN

RAYTHEON COMPANY

AND

THE BANK OF NEW YORK,  
AS PURCHASE CONTRACT AGENT

DATED AS OF MAY 9, 2001

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PURCHASE CONTRACT AGREEMENT, dated as of May 9, 2001, between Raytheon Company, a Delaware corporation (the "Company"), and The Bank of New York, a New York banking corporation, acting as purchase contract agent for the Holders of Units from time to time (the "Purchase Contract Agent").

#### RECITALS

The Company has duly authorized the execution and delivery of this Agreement and the Certificates evidencing the Units.

All things necessary to make the Purchase Contracts, when the Certificates are executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent, as provided in this Agreement, the valid obligations of the Company, and to constitute this Agreement a valid agreement of the Company, in accordance with its terms, have been done.

#### WITNESSETH:

For and in consideration of the premises and the purchase of the Units by the Holders thereof, it is mutually agreed as follows:

#### ARTICLE I. DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; and nouns and pronouns of the masculine gender include the feminine and neuter genders;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States;

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

(d) the following terms have the meanings given to them in this Section 1.1(e).

"Act" when used with respect to any Holder, has the meaning specified in Section 1.4.

"Affiliate" has the same meaning as given to that term in Rule 405 under the Securities Act or any successor rule thereunder.

"Agent-purchased Treasury Consideration" has the meaning specified in Section 5.2(b)(i).

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Applicable Market Value" has the meaning specified in Section 5.1.

"Applicable Ownership Interest" has the meaning set forth in the Declaration.

"Applicable Principal Amount" has the meaning set forth in the Declaration.

"Bankruptcy Code" means Title 11 of the United States Code, or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Beneficial Owner" means, with respect to a Book-Entry Interest, a Person who is the beneficial owner of such Book-Entry Interest as reflected on the books of the Clearing Agency or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Board of Directors" means either the Board of Directors of the Company or the Executive Committee of such Board or any other committee of such Board duly authorized to act generally or in any particular respect for the Board hereunder.

"Board Resolution" means (i) a copy of a resolution certified by the Secretary or the 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, (ii) a copy of a unanimous written consent of the Board of Directors or (iii) a certificate signed by the authorized officer or officers to whom the Board of Directors has delegated its authority, and in each case, delivered to the Purchase Contract Agent.

"Book-Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 3.6.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions in the Commonwealth of Massachusetts are authorized or obligated by law, regulation or executive order to be closed.

"Cash Merger" has the meaning set forth in Section 5.8.

"Certificate" means a Normal Units Certificate or a Stripped Units Certificate.



"Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as a depository for the Units and in whose name, or in the name of a nominee of that organization, shall be registered a Global Certificate and which shall undertake to effect book-entry transfers and pledges of the units.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Price" has the meaning specified in Section 5.1.

"Collateral" has the meaning specified in Section 2.1 of the Pledge Agreement.

"Collateral Agent" means Bank One Trust Company, N.A., as Collateral Agent under the Pledge Agreement until a successor Collateral Agent shall have become such pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Collateral Agent" shall mean the Person who is then the Collateral Agent thereunder.

"Collateral Substitution" has the meaning specified in Section 3.13.

"Commission" means the Securities and Exchange Commission.

"Common Securities" has the meaning specified in Section 7.1(a) of the Declaration.

"Common Stock" means the class B common stock, par value \$0.01 per share, of the Company as such class may be reclassified, with the class A common stock, par value \$0.01 per share, of the Company into one new class of common stock of the Company as set forth in the Prospectus under "Description of Our Class A and Class B Common Stock -- Reverse/Forward Stock Split" and "--Reclassification of our Existing Two Classes of Common Stock into a Single New Class of Common Stock."

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor shall have become such pursuant to the applicable provision of this Agreement, and thereafter "Company" shall mean such successor.

"Constituent Person" has the meaning specified in Section 5.4(b).

"Contract Adjustment Payments" means the payments payable quarterly in arrears by the Company on the Payment Dates in respect of each Purchase Contract, equal to 1.25% per annum of the Stated Amount, computed (i) for any full quarterly period on the basis of a 360-day year of twelve 30-day months, (ii) for any period shorter than a full quarterly period for which such payments are calculated, on the basis of a 30-day month and (iii) for periods of less than a month, the actual number of days elapsed per 30-day month.

"Corporate Trust Office" means the principal corporate trust office of the Purchase Contract Agent at which, at any particular time, its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, Floor 21W, New York, New

York 10286, Attn: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company

"Coupon Rate" means the percentage rate per annum at which each Note will bear interest initially.

"Current Market Price" has the meaning specified in Section 5.4(a)(8).

"Custodial Agent" means Bank One Trust Company, N.A., as Custodial Agent under the Pledge Agreement until a successor Custodial Agent shall have become such pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Custodial Agent" shall mean the Person who is then the Custodial Agent thereunder.

"Declaration" means the Amended and Restated Declaration of Trust, dated as of May 9, 2001, of RC Trust I among the Company, as the Sponsor and the trustees named therein for the benefit of the holders from time to time of undivided beneficial ownership interests in the assets of the Trust.

"Depository" means, initially, DTC, until another Clearing Agency becomes its successor.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Early Settlement" has the meaning specified in Section 5.7(a).

"Early Settlement Amount" has the meaning specified in section 5.7(a).

"Early Settlement Date" has the meaning specified in Section 5.7(a).

"Early Settlement Rate" has the meaning specified in section 5.7(b).

"Exchange Act" means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

"Expiration Date" has the meaning specified in Section 1.4.

"Expiration Time" has the meaning specified in Section 5.4(a)(6).

"Failed Remarketing" has the meaning specified in Section 5.2(b)(ii).

"Global Certificate" means a Certificate that evidences all or part of the Units and is registered in the name of a Depository or a nominee thereof.

"Global Trust Preferred Security Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Trust Preferred Securities specified on such certificate and which is registered in the name of a Clearing Agency or a nominee thereof.

"Holder" means the Person in whose name the Unit evidenced by a Normal Units Certificate and/or a Stripped Units Certificate is registered in the related Normal Units Register and/or the Stripped Units Register, as the case may be.

"Indenture" means the Indenture, dated as of July 3, 1995, as supplemented by a First Supplemented Indenture, dated as of May 2, 2001, and by a Second Supplemental Indenture, dated as of the date hereof, in each case, between the Company and The Bank of New York, as trustee.

"Indenture Trustee" means The Bank of New York, a New York banking corporation, as trustee under the Indenture, or any successor thereto.

"Issuer Order" or "Issuer Request" means a written order or request signed in the name of the Company by the Chief Executive Officer, the Chief Financial Officer, the President, any Vice-President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary (or other officer performing similar functions) of the Company and delivered to the Purchase Contract Agent.

"Liquidation Distribution" means the distribution of the Subordinated Notes, in the event of any voluntary or involuntary dissolution of the Trust, to the Holders of the Securities on the date of such dissolution from the assets of the Trust, after satisfaction (whether by payment or reasonable provision for payment) of liabilities to creditors of the Trust, and which shall be distributed on a Pro Rata basis to the Holders of the Securities in exchange for such Securities.

"Merger Early Settlement" has the meaning specified in Section 5.8.

"Merger Early Settlement Amount" has the meaning specified in Section 5.8.

"Merger Early Settlement Date" has the meaning specified in Section 5.8.

"NYSE" has the meaning specified in Section 5.1.

"Normal Unit" means the collective rights and obligations of a Holder of a Normal Units Certificate in respect of a Trust Preferred Security or the appropriate Treasury Consideration, as the case may be, subject in each case to the Pledge thereof, and the related Purchase Contract.

"Normal Units Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Normal Units specified on such certificate, substantially in the form of Exhibit A hereto.

"Normal Units Register" and "Normal Units Registrar" have the respective meanings specified in Section 3.5.

"Notes" means the series of subordinated securities of the Company designated the 7.00% Subordinated Notes due 2006", to be issued by the Company under the Indenture.

"Officer's Certificate" means a certificate signed by the Chief Executive Officer, the Chief Financial Officer, the President, any Vice-President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary (or other officer performing similar functions) of the Company and delivered to the Purchase Contract Agent.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or an Affiliate and who shall be reasonably acceptable to the Purchase Contract Agent.

"Opt-out Treasury Consideration" has meaning specified in Section 5.2(b)(iv).

"Outstanding" or "Outstanding Securities" means, as of the date of determination, all Normal Units or Stripped Units evidenced by Certificates theretofore authenticated, executed and delivered under this Agreement, except:

(i) If a Termination Event has occurred, (A) Stripped Units and (B) Normal Units for which the related Trust Preferred Security or the appropriate Treasury Consideration, or a Liquidation Distribution in respect of such Trust Preferred Security, as the case may be, has been theretofore deposited with the Purchase Contract Agent in trust for the Holders of such Normal Units;

(ii) Normal Units and Stripped Units evidenced by Certificates theretofore cancelled by the Purchase Contract Agent or delivered to the Purchase Contract Agent for cancellation or deemed cancelled pursuant to the provisions of this Agreement; and

(iii) Normal Units and Stripped Units evidenced by Certificates in exchange for or in lieu of which other Certificates have been authenticated, executed on behalf of the Holder and delivered pursuant to this Agreement, other than any such Certificate in respect of which there shall have been presented to the Purchase Contract Agent proof satisfactory to it that such Certificate is held by a potential purchaser in whose hands the Normal Units or Stripped Units Evidenced by such Certificate are valid obligations of the Company;

provided, that in determining whether the Holders of the requisite number of the Normal Units or Stripped Units have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Normal Units or Stripped Units owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, in determining whether the Purchase Contract Agent shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Normal Units or Stripped Units which a Responsible Officer of the Purchase Contract Agent knows to be so owned shall be so disregarded. Normal Units or Stripped Units so owned which have been pledged in good faith may be regarded as Outstanding Securities if the pledgee establishes to the satisfaction of the Purchase Contract Agent the pledgee's right so to act with respect to such Normal Units or Stripped Units and that the pledgee is not the Company or any Affiliate of the Company.

"Payment Date" means each February 15, May 15, August 15 and November 15, commencing August 15, 2001.

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

"Pledge" means the pledge under the Pledge Agreement of the Trust Preferred Securities, the Treasury Securities or the appropriate Treasury Consideration, in each case constituting a part of the Units, property, cash, securities, financial assets and security entitlements of the Collateral Agreement (as defined in the Pledge Agreement), the Notes delivered to the Collateral Agent upon liquidation of the Trust, and any proceeds of any of the foregoing.

"Pledge Agreement" means the Pledge Agreement, dated as of the date hereof, by and among the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, on its own behalf and as attorney-in-fact for the Holders from time to time of the Units.

"Pledged Trust Preferred Securities" has the meaning set forth in the Pledge Agreement.

"Pledged Treasury Consideration" has the meaning set forth in the Pledge Agreement.

"Pledged Treasury Securities" has the meaning set forth in the Pledge Agreement.

"Purchase Contract Agent" means the Person named as the "Purchase Contract Agent" in the first paragraph of this instrument until a successor Purchase Contract Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Purchase Contract Agent" shall mean such Person.

"Predecessor Certificate" means a Predecessor Normal Units Certificate or a Predecessor Stripped Units Certificate.

"Predecessor Normal Units Certificate" of any particular Normal Units Certificate means every previous Normal Units Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Normal Units evidenced thereby; and, for the purposes of this definition, any Normal Units Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Normal Units Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Normal Units Certificate.

"Predecessor Stripped Units Certificate" of any particular Stripped Units Certificate means every previous Stripped Units Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Stripped Units evidenced thereby; and, for the purposes of this definition, any Stripped Units Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Stripped Units

Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Stripped Units Certificate.

"Property Trustee" means The Bank of New York, as property trustee under the Declaration, or any successor thereto that is a financial institution unaffiliated with the Company.

"Prospectus" means the final Prospectus Supplement dated May 3, 2001 of the Company and the Trust relating to the Units, supplementing the Prospectus dated April 6, 2001 of the Company and the Trust.

"Purchase Contract" when used with respect to any Unit, means the contract forming a part of such Unit and obligating the Company to (i) sell and the Holder of such Unit to purchase Common Stock and (ii) pay the Holder Contract Adjustment Payments in each case on the terms and subject to the conditions set forth in Article Five hereof.

"Purchase Contract Settlement Fund" has the meaning specified in Section 5.3.

"Purchase Price" has the meaning specified in Section 5.1.

"Purchased Shares" has the meaning specified in Section 5.4(a)(6).

"Quarterly Payment Date" means each February 15, May 15, August 15 and November 15 commencing August 15, 2001.

"Record Date" for the Contract Adjustment Payments and any other distributions payable on any Payment Date means, as to any Global Certificate, the Business Day next preceding such Payment Date, and as to any other Certificate, a day selected by the Company which shall be more than one Business Day but less than 60 Business Days prior to such Payment Date.

"Redemption Amount" has the meaning set forth in the Declaration.

"Redemption Price" has the meaning set forth in the Declaration.

"Register" means the Normal Units Register and the Stripped Units Register.

"Registrar" means the Normal Units Registrar and the Stripped Units Registrar.

"Remarketing Agent" has the meaning specified in Section 5.2(b)(i).

"Remarketing Agreement" means the Remarketing Agreement to be entered into by and among the Company, the Remarketing Agent and the Purchase Contract Agent.

"Remarketing Date" means the third Business Day preceding February 15, 2004.

"Remarketing Fee" has the meaning specified in Section 5.2(b)(i).

"Remarketing Value" has the meaning specified in Section 5.2(b)(i).

"Reorganization Event" has the meaning specified in Section 5.4(b).

"Reset Rate" has the meaning set forth in the Declaration.

"Responsible Officer" means, when used with respect to the Purchase Contract Agent, any officer within the corporate trust department of the Purchase Contract Agent (or any successor of the Purchase Contract Agent), including any Vice President, any assistant Vice President, any assistant secretary, the treasurer, any assistant treasurer, any trust officer or any other officer of the Purchase Contract Agent 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 because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Agreement.

"Securities" means the Common Securities and the Trust Preferred Securities.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor legislation and the rules and regulations of the Commission promulgated thereunder.

"Securities Intermediary" means Bank One Trust Company, N.A., in its capacity as Securities Intermediary under the Pledge Agreement, together with its successors in such capacity.

"Separate Trust Preferred Securities" has the meaning set forth in the Pledge Agreement.

"Settlement Date" means any Early Settlement Date or Merger Early Settlement Date or the Stock Purchase Date.

"Settlement Rate" has the meaning specified in Section 5.1.

"Stated Amount" means, with respect to any one Trust Preferred Security, Normal Unit or Stripped Unit, \$50.

"Stock Purchase Date" means May 15, 2004.

"Stripped Unit" means the collective rights and obligations of a holder of a Stripped Units Certificate in respect of a 1/20 undivided beneficial ownership interest in a Treasury Security, subject in each case to the Pledge thereof, and the related Purchase Contract.

"Stripped Units Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Stripped Units specified on such certificate, substantially in the form of Exhibit B hereto.

"Stripped Units Register" and "Stripped Units Registrar" have the respective meanings specified in Section 3.5.

"Subordinated Notes" has the meaning set forth in the Declaration.

"Subordinated Notes Issuer" has the meaning set forth in the Declaration.

"Subsequent Remarketing" has the meaning set forth in the Remarketing Agreement.

"Subsequent Remarketing Date" means, provided there has been one or more Failed Remarketings, the date on which the Remarketing Agent has conducted a successful remarketing in accordance with Section 5.2 hereof, such date in no event hereby later than the Business Day.

"Tax Event" means the receipt by the Sponsor and the Trust of an opinion of counsel, rendered by a law firm having a recognized national tax practice, to the effect that, as a result of any amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative decision, pronouncement, judicial decision or action interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement, action or decision is announced on or after the Closing Date, there is more than an insubstantial increase in the risk that (i) the Trust is, or within 90 days of the date of such opinion will be, subject to United States federal income tax with respect to income received or accrued on the Subordinated Notes, (ii) interest [(or original issue discount)] payable by the Subordinated Notes Issuer on the Subordinated Notes is not, or within 90 days of the date of such opinion will not be, deductible by the Subordinated Notes Issuer, in whole or in part, for United States federal income tax purposes, or (iii) the Trust is, or within 90 days of the date of such opinion will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Tax Event Redemption" shall mean the date by the Subordinated Notes Issuer on which the Subordinated Notes are redeemed pursuant to a Tax Event Redemption pursuant to the Indenture.

"Tax Event Redemption Date" means the date specified by the Subordinated Notes Issuer on which the Subordinated Notes are redeemed pursuant to a Tax Event Redemption pursuant to the Indenture.

"Termination Date" means the date, if any, on which a Termination Event occurs.

"Termination Event" means the occurrence of any of the following events: (i) at any time on or prior to the Stock Purchase Date, a judgment, decree or court order shall have been entered granting relief under the Bankruptcy Code or any other similar Federal or state law, adjudicating the Company to be insolvent, or approving as properly filed a petition seeking reorganization or liquidation of the Company, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Stock Purchase Date, such decree or order shall have continued undischarged and unstayed for a period of 60 days; or (ii) a judgment, decree or court order for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or of its property, or for the winding up or liquidation of its affairs, shall have been entered, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Stock Purchase Date, such judgment, decree or order shall have continued undischarged and unstayed for a period of 60 days, or (iii) at any time on or prior to the Stock Purchase Date the Company shall file a petition for relief under the Bankruptcy Code or any other similar federal or state law, or shall consent to the filing of a bankruptcy proceeding against it, or shall



file a petition or answer or consent seeking reorganization or liquidation under the Bankruptcy Code or any other similar federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

"Threshold Appreciation Price" has the meaning specified in Section 5.1.

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

"Trading Day" has the meaning specified in Section 5.1.

"Treasury Consideration" means the Purchase Contract Agent-purchased Treasury Consideration or the Opt-out Treasury Consideration.

"Treasury Security" means a zero coupon U.S. Treasury security (CUSIP Number 912820BJ5 maturing on May 15, 2004 that will pay \$1,000 on such maturity date.

"Trust" means RC Trust I, a statutory business trust formed under the laws of the State of Delaware, or any successor thereto by merger or consolidation.

"Trust Preferred Securities" means the 7.00% Trust Preferred Securities of the Trust, each having a stated liquidation amount of \$50 per share, representing, together with the Common Securities, undivided beneficial ownership interests in the assets of the Trust.

"Trust Securities Guarantee" means the guarantee issued by the Company for the benefit of the holders of the Securities pursuant to the Guarantee Agreement dated as of May 9, 2001 between the Company and The Bank of New York, as Guarantee Trustee with respect to the Securities.

"Underwriting Agreement" means the Terms Agreement dated May 3, 2001 between the Company and the Underwriters named therein which incorporated by reference and amended the Company's Underwriting Agreement for Debt Securities.

"Unit" means a Normal Unit or a Stripped Unit, as the case may be.

"Vice President" means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

Section 1.2. Compliance Certificates and Opinions. Except as otherwise expressly provided by this Agreement, upon any application or request by the Company to the Purchase Contract Agent to take any action under any provision of this Agreement, the Company shall furnish to the Purchase Contract Agent an Officer's Certificate stating that all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and, if requested by the Purchase Contract Agent, an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied

with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Agreement shall include:

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

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

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

(4) a statement as to whether, in the opinion of such individual, such condition or covenant has been complied with.

Section 1.3. Form of Documents Delivered to Purchase Contract Agent. 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 officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such 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 or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company unless such counsel knows, or in the exercise of reasonable care should know, 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 Agreement, they may, but need not, be consolidated and form one instrument.

Section 1.4. Acts of Holders; Record Dates. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by 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 Purchase Contract Agent and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders 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 Agreement and (subject to Section 7.1) conclusive in favor of the Purchase Contract Agent and the Company, if made in the manner provided in this Section.

(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 Purchase Contract Agent deems sufficient.

(c) The ownership of Units shall be proved by the Normal Units Register or the Stripped Units Register, as the case may be.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Certificate shall bind every future Holder of the same Certificate and the Holder of every Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Purchase Contract Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Certificate.

(e) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Agreement to be given, made or taken by Holders of Units. If any record date is set pursuant to this paragraph, the Holders of the Outstanding Normal Units and the Outstanding Stripped Units, as the case may be, on such record date, and no other Holders, shall be entitled to take the relevant action with respect to the Normal Units or the Stripped Units, as the case may be, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite number of Outstanding Securities on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite number of Outstanding Securities on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Purchase Contract Agent in writing and to each Holder of Units in the manner set forth in Section 1.6.

With respect to any record date set pursuant to this Section, the Company may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the Purchase Contract Agent in writing, and to each Holder of Units in the manner set forth in Section 1.6, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the Company shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Section 1.5. Notices. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with:

(1) the Purchase Contract Agent by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, to the Purchase Contract Agent at The Bank of New York, 101 Barclay Street, Floor 21W, New York, New York 10286, Attention: Corporate Trust Administration, telecopy: (212) 815-5915, or at any other address furnished in writing by the Purchase Contract Agent to the Holders and the Company; or

(2) the Company by the Purchase Contract Agent or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, to the Company at Raytheon Company, 141 Spring Street, Lexington, Massachusetts, 02421, telephone: (781) 862-6600, Attention: Corporate Secretary, or at any other address furnished in writing to the Purchase Contract Agent by the Company; or

(3) the Collateral Agent by the Purchase Contract Agent, the Company or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, addressed to the Collateral Agent at Bank One Trust Company, N.A., 153 West 51st Street, New York, NY 10019, Attention: Corporate Trust Services Division, telecopy: (212) 373-1384, or at any other address furnished in writing by the Collateral Agent to the Purchase Contract Agent, the Company and the Holders; or

(4) the Property Trustee by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, addressed to the Property Trustee at The Bank of New York, 101 Barclay Street, Floor 21W, New York, New York 10286, Attention: Corporate Trust Administration, telecopy: (212) 815-5915 or at any other address furnished in writing by the Property Trustee to the Company; or

(5) the Indenture Trustee by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, addressed to the Indenture Trustee at The Bank of New York, 101 Barclay Street, Floor 21W, New York, New York 10286, Attention: Corporate Trust Administration, telecopy: (212) 815-5915 or at any other address furnished in writing by the Indenture Trustee to the Company.

Section 1.6. Notice to Holders; Waiver. Where this Agreement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at its address as it appears in the applicable Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Agreement 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 Purchase Contract Agent, 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 Purchase Contract Agent shall constitute a sufficient notification for every purpose hereunder.

Section 1.7. 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 1.8. Successors and Assigns. All covenants and agreements in this Agreement by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.9. Separability Clause. In case any provision in this Agreement or in the securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby.

Section 1.10. Benefits of Agreement. Nothing in this Agreement or in the Units, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and, to the extent provided hereby, the Holders, any benefits or any legal or equitable right, remedy or claim under this Agreement. The Holders from time to time shall be beneficiaries of this Agreement and shall be bound by all of the terms and conditions hereof and of the Units evidenced by their Certificates by their acceptance of delivery of such Certificates.

Section 1.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 1.12. Legal Holidays. In any case where any Payment Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement or the Normal Units Certificates) any payments on the Purchase Contract or on the Trust Preferred Securities shall not be made on such date, but such payments shall be made on the next succeeding Business Day with the same force and effect as if made on such Payment Date, provided that no interest or distributions shall accrue or be payable by the Company for the period from and after any such Payment Date, except that, if such next succeeding Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day with the same force and effect as if made on such Payment Date.

In any case where the Stock Purchase Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement or the Certificates), the Purchase Contracts shall not be performed on such date, but the Purchase Contracts shall be performed on the immediately following Business Day with the same force and effect as if performed on the Stock Purchase Date.

Section 1.13. Counterparts. This Agreement may be executed in any number of counterparts by the parties hereto, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 1.14. Inspection of Agreement. A copy of this Agreement shall be available at all reasonable times during normal business hours at the Corporate Trust Office for inspection by any Holder.

## ARTICLE II. CERTIFICATE FORMS

Section 2.1. Forms of Certificates Generally. The Normal Units Certificates (including the form of Purchase Contract forming part of the Normal Units evidenced thereby) shall be in substantially the form set forth in Exhibit A hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange or quotation system on which the Normal Units are listed or quoted for trading or any depositary therefor, or as may,

consistently herewith, be determined by the officers of the Company executing such Normal Units Certificates, as evidenced by their execution of the Normal Units Certificates.

The definitive Normal Units Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Normal Units Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

The Stripped Units Certificates (including the form of Purchase Contracts forming part of the Stripped Units evidenced thereby) shall be in substantially the form set forth in Exhibit B hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange or the quotation system on which the Stripped Units may be listed or quoted for trading or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Stripped Units Certificates, as evidenced by their execution of the Stripped Units Certificates.

The definitive Stripped Units Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Stripped Units Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

Every Global Certificate authenticated, executed on behalf of the Holders and delivered hereunder shall bear a legend in substantially the following form:

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST CORPORATION OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST CORPORATION SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

Section 2.2. Form of Purchase Contract Agent's Certificate of Authentication. The form of the Purchase Contract Agent's certificate of authentication of the Normal Units shall be in substantially the form set forth on the form of the Normal Units Certificates.

The form of the Purchase Contract Agent's certificate of authentication of the Stripped Units shall be in substantially the form set forth on the form of the Stripped Units Certificates.

### ARTICLE III. THE UNITS

Section 3.1. Title and Terms; Denominations. The aggregate number of Normal Units and Stripped Units, if any, evidenced by Certificates authenticated, executed on behalf of the Holders and delivered hereunder is limited to 15,000,000 (17,250,000 if the Underwriters' over-allotment option pursuant to the Underwriting Agreement is exercised in full), except for Certificates authenticated, executed and delivered upon registration of transfer of, in exchange for, or in lieu of, other Certificates pursuant to Section 3.4, 3.5, 3.10, 3.13, 3.14, 5.7 or 8.5.

The Certificates shall be issuable only in registered form and only in denominations of a single Unit and any integral multiple thereof.

Section 3.2. Rights and Obligations Evidenced by the Certificates(a) . Each Normal Units Certificate shall evidence the number of Normal Units specified therein, with each such Normal Unit representing the ownership by the Holder thereof of a beneficial ownership interest in a Trust Preferred Security or the appropriate Treasury Consideration, as the case may be, subject to the Pledge of such Trust Preferred Security or such Treasury Consideration, as the case may be, by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Purchase Contract Agent as attorney-in-fact for, and on behalf of, the Holder of each Normal Unit shall pledge, pursuant to the Pledge Agreement, the Trust Preferred Security or the appropriate Treasury Consideration, as the case may be, forming a part of such Normal Unit, to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title, and interest of such Holder in such Trust Preferred Security or such Treasury Consideration, as the case may be, for the benefit of the Company, to secure the obligation of the Holder under each Purchase Contract to purchase the Common Stock of the Company. Prior to the purchase of shares of Common Stock under each Purchase Contract, such Purchase Contracts shall not entitle the Holders of Normal Units Certificates to any of the rights of a holder of shares of Common Stock, including, without limitation, the right to vote or receive any dividends or other payments or to consent or to receive notice as stockholders in respect of the meetings of stockholders or for the election of directors of the Company or for any other matter, or any other rights whatsoever as stockholders of the Company.

(b) Each Stripped Units Certificate shall evidence the number of Stripped Units specified therein, with each such Stripped Unit representing the ownership by the Holder thereof of a 1/20 undivided beneficial ownership interest in a Treasury Security, subject to the Pledge of such interest in such Treasury Security by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Purchase Contract. Prior to the purchase of shares of Common Stock under each Purchase Contract, such Purchase Contracts shall not entitle the Holders of Stripped Units Certificates to any of the rights of a holder of shares of Common Stock, including, without limitation, the right to vote or receive any dividends or other payments or to consent or to receive notice as stockholders in respect of the meetings of stockholders or for the election of directors of the Company or for any other matter, or any other rights whatsoever as stockholders of the Company.



Section 3.3. Execution, Authentication, Delivery and Dating(a) . Subject to the provisions of Sections 3.13 and 3.14, upon the execution and delivery of this Agreement, and at any time and from time to time thereafter, the Company may deliver Certificates executed by the Company to the Purchase Contract Agent for authentication, execution on behalf of the Holders and delivery, together with its Issuer Order for authentication of such Certificates, and the Purchase Contract Agent in accordance with such Issuer Order shall authenticate, execute on behalf of the Holders and deliver such Certificates.

(b) The Certificates shall be executed on behalf of the Company by the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary (or other officer performing similar functions) of the Company and delivered to the Purchase Contract Agent. The signature of any of these officers on the Certificates may be manual or facsimile.

(c) Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

(d) No Purchase Contract evidenced by a Certificate shall be valid until such Certificate has been executed on behalf of the Holder by the manual signature of an authorized signatory of the Purchase Contract Agent, as such Holder's attorney-in-fact. Such signature by an authorized signatory of the Purchase Contract Agent shall be conclusive evidence that the Holder of such Certificate has entered into the Purchase Contracts evidenced by such Certificate.

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

(f) No Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by an authorized signatory of the Purchase Contract Agent by manual signature, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder.

Section 3.4. Temporary Certificates(a) . Pending the preparation of definitive Certificates, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holders, and deliver, in lieu of such definitive Certificates, temporary Certificates which are in substantially the form set forth in Exhibit A or Exhibit B hereto, as the case may be, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Normal Units or Stripped Units, as the case may be, are listed, or as may, consistent herewith, be determined by the officers of the Company executing such Certificates, as evidenced by their execution of the Certificates.

(b) If temporary Certificates are issued, the Company will cause definitive Certificates to be prepared without unreasonable delay. After the preparation of definitive Certificates, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of the temporary Certificates at the Corporate Trust Office, at the expense of the Company and without charge to the Holder. Upon surrender for cancellation of any one or more temporary Certificates, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, one or more definitive Certificates of like tenor and denominations and evidencing a like number of Normal Units or Stripped Units, as the case may be, as the temporary Certificate or Certificates so surrendered. Until so exchanged, the temporary Certificates shall in all respects evidence the same benefits and the same obligations with respect to the Normal Units or Stripped Units, as the case may be, evidenced thereby as definitive Certificates.

Section 3.5. Registration; Registration of Transfer and Exchange(a) . The Purchase Contract Agent shall keep at the Corporate Trust Office a register (the "Normal Units Register") in which, subject to such reasonable regulations as it may prescribe, the Purchase Contract Agent shall provide for the registration of Normal Units Certificates and of transfers of Normal Units Certificates (the Purchase Contract Agent, in such capacity, the "Normal Units Registrar") and a register (the "Stripped Units Register") in which, subject to such reasonable regulations as it may prescribe, the Purchase Contract Agent shall provide for the registration of the Stripped Units Certificates and transfers of Stripped Units Certificates (the Purchase Contract Agent, in such capacity, the "Stripped Units Registrar").

(b) Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the designated transferee or transferees, and deliver, in the name of the designated transferee or transferees, one or more new Certificates of like tenor and denominations, and evidencing a like number of Normal Units or Stripped Units, as the case may be.

(c) At the option of the Holder, Certificates may be exchanged for other Certificates, of like tenor and denominations and evidencing a like number of Normal Units or Stripped Units, as the case may be, upon surrender of the Certificates to be exchanged at the Corporate Trust Office. Whenever any Certificates are so surrendered for exchange, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver the Certificates which the Holder making the exchange is entitled to receive.

(d) All Certificates issued upon any registration of transfer or exchange of a Certificate shall evidence the ownership of the same number of Normal Units or Stripped Units, as the case may be, and be entitled to the same benefits and subject to the same obligations, under this Agreement as the Normal Units or Stripped Units, as the case may be, evidenced by the Certificate surrendered upon such registration of transfer or exchange.

(e) Every Certificate presented or surrendered for registration of transfer or for exchange shall (if so required by the Purchase Contract Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Purchase Contract Agent duly executed, by the Holder thereof or its attorney duly authorized in writing.

(f) No service charge shall be made for any registration of transfer or exchange of a Certificate, but the Company and the Purchase Contract Agent may require payment from the Holder 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 Certificates, other than any exchanges pursuant to Sections 3.6, 3.9 and 8.5 not involving any transfer.

(g) Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall not be obligated to authenticate, execute on behalf of the Holder and deliver any Certificate presented or surrendered for registration of transfer or for exchange on or after the Business Day immediately preceding the earlier of the Stock Purchase Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Purchase Contract Agent shall (i) if the Stock Purchase Date has occurred, deliver the shares of Common Stock issuable in respect of the Purchase Contracts forming a part of the Units evidenced by such Certificate, (ii) in the case of Normal Units, if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Trust Preferred Securities or the appropriate Treasury Consideration, as applicable, relating to such Normal Units, or (iii) in the case of Stripped Units, if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Treasury Securities relating to such Stripped Units, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five.

Section 3.6. Book-Entry Interests. The Certificates, on original issuance, will be issued in the form of one or more, fully registered Global Certificates, to be delivered to the Depository by, or on behalf of, the Company. Such Global Certificate shall initially be registered on the books and records of the Company in the name of Cede & Co., the nominee of the Depository, and no Beneficial Owner will receive a definitive Certificate representing such Beneficial Owner's interest in such Global Certificate, except as provided in Section 3.9. The Purchase Contract Agent shall enter into an agreement with the Depository if so requested by the Company. Unless and until definitive, fully registered Certificates have been issued to Beneficial Owners pursuant to Section 3.9:

(a) the provisions of this Section 3.6 shall be in full force and effect;

(b) the Company shall be entitled to deal with the Clearing Agency for all purposes of this Agreement (including making Contract Adjustment Payments and receiving approvals, votes or consents hereunder) as the Holder of the Units and the sole holder of the Global Certificate(s) and shall have no obligation to the Beneficial Owners;

(c) to the extent that the provisions of this Section 3.6 conflict with any other provisions of this Agreement, the provisions of this Section 3.6 shall control; and

(d) the rights of the Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. The Clearing Agency will make book-entry transfers among Clearing Agency Participants.

Section 3.7. Notices to Holders. Whenever a notice or other communication to the Holders is required to be given under this Agreement, the Company or the Company's agent shall give such notices and communications to the Holders and, with respect to any Units registered in the name of a Clearing Agency or the nominee of a Clearing Agency, the Company or the Company's agent shall, except as set forth herein, have no obligations to the Beneficial Owners.

Section 3.8. Appointment of Successor Clearing Agency. If any Clearing Agency elects to discontinue its services as securities depository with respect to the Units, the Company may, in its sole discretion, appoint a successor Clearing Agency with respect to the Units.

Section 3.9. Definitive Certificates. If (i) a Clearing Agency elects to discontinue its services as securities depository with respect to the Units and a successor Clearing Agency is not appointed within 90 days after such discontinuance pursuant to Section 3.8, (ii) the Company elects to terminate the book-entry system through the Clearing Agency with respect to the Units, or (iii) there shall have occurred and be continuing a default by the Company in respect of its obligations under one or more Purchase Contracts, then upon surrender of the Global Certificates representing the Book-Entry Interests with respect to the Units by the Clearing Agency, accompanied by registration instructions, the Company shall cause definitive Certificates to be delivered to Beneficial Owners in accordance with the instructions of the Clearing Agency. The Company shall not be liable for any delay in delivery of such instructions and may conclusively rely on and shall be protected in relying on, such instructions.

Section 3.10. Mutilated, Destroyed, Lost and Stolen Certificates(a) . If any mutilated Certificate is surrendered to the Purchase Contract Agent, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, a new Certificate at the cost of the Holder, evidencing the same number of Normal Units or Stripped Units, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

(b) If there shall be delivered to the Company and the Purchase Contract Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Certificate, and (ii) such security or indemnity at the cost of the Holder as may be required by them to hold each of them and any agent of any of them harmless, then, in the absence of notice to the Company or the Purchase Contract Agent that such Certificate has been acquired by a potential purchaser, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract

Agent shall authenticate, execute on behalf of the Holder, and deliver to the Holder, in lieu of any such destroyed, lost or stolen Certificate, a new Certificate, evidencing the same number of Normal Units or Stripped Units, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

(c) Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall not be obligated to authenticate, execute on behalf of the Holder, and deliver to the Holder, a Certificate on or after the Business Day immediately preceding the earlier of the Stock Purchase Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Purchase Contract Agent shall (i) if the Stock Purchase Date has occurred, deliver the shares of Common Stock issuable in respect of the Purchase Contracts forming a part of the Units evidenced by such Certificate, or (ii) if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Trust Preferred Securities, the appropriate Treasury Consideration or the Treasury Securities, as the case may be, evidenced thereby, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five.

(d) Upon the issuance of any new Certificate under this Section, the Company and the Purchase Contract Agent may require the payment by the Holder 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 Purchase Contract Agent) connected therewith.

(e) Every new Certificate issued pursuant to this Section in lieu of any destroyed, lost or stolen Certificate shall evidence ownership of the same number of Normal Units or Stripped Unit, as the case may be, and be entitled to the same benefits and subject to the same obligations, under this Agreement as the Normal or Stripped Units, as the case may be, evidenced by the destroyed, lost or mutilated Certificate, whether or not the destroyed, lost or stolen Certificate (and the Units evidenced thereby) shall be at any time enforceable by anyone, and shall be entitled to all the benefits and be subject to all the obligations of this Agreement equally and proportionately with any and all other Certificates delivered hereunder.

(f) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates.

Section 3.11. Persons Deemed Owners. Prior to due presentment of a Certificate for registration of transfer, the Company and the Purchase Contract Agent, and any agent of the Company or the Purchase Contract Agent, may treat the Person in whose name such Certificate is registered as the owner of the Units evidenced thereby, for the purpose of receiving distributions on the Trust Preferred Securities, receiving Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any such distributions or the Contract Adjustment Payments payable in respect of the Purchase Contracts constituting part of the Unit evidenced thereby shall be overdue and notwithstanding

any notice to the contrary, and neither the Company nor the Purchase Contract Agent, nor any agent of the Company or the Purchase Contract Agent, shall be affected by notice to the contrary.

Notwithstanding the foregoing, with respect to any Global Certificate, nothing herein shall prevent the Company, the Purchase Contract Agent or any agent of the Company or the Purchase Contract Agent, from giving effect to any written certification, proxy or other authorization furnished by any Clearing Agency (or its nominee), as a Holder, with respect to such Global Certificate or impair, as between such Clearing Agency and owners of beneficial ownership interests in such Global Certificate, the operation of customary practices governing the exercise of rights of such Clearing Agency (or its nominee) as Holder of such Global Certificate.

Section 3.12. Cancellation. All Certificates surrendered (a) for delivery of shares of Common Stock on or after any Settlement Date; (b) upon the transfer of Trust Preferred Securities, the appropriate Treasury Consideration or Treasury Securities, as the case may be, after the occurrence of a Termination Event; (c) upon the registration of a transfer or exchange of a Unit shall, if surrendered to any Person other than the Purchase Contract Agent, be delivered to the Purchase Contract Agent and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Purchase Contract Agent for cancellation any Certificates previously authenticated, executed and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Certificates so delivered shall, upon Issuer Order, be promptly cancelled by the Purchase Contract Agent. No Certificates shall be authenticated, executed on behalf of the Holder and delivered in lieu of or in exchange for any Certificates cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Certificates held by the Purchase Contract Agent shall be disposed of by the Purchase Contract Agent in accordance with its customary procedures, unless otherwise directed by Issuer Order.

If the Company or any Affiliate of the Company shall acquire any Certificate, such acquisition shall not operate as a cancellation of such Certificate unless and until such Certificate is delivered to the Purchase Contract Agent cancelled or for cancellation.

Section 3.13. Establishment of Stripped Units. A Holder may separate the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as applicable, from the related Purchase Contracts in respect of the Normal Units held by such Holder by substituting for such Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, Treasury Securities that will pay an amount equal to the aggregate Stated Amount of such Normal Units (a "Collateral Substitution"), at any time from and after the date of this Agreement and on or prior to the second Business Day immediately preceding the Stock Purchase Date, by (a) depositing with the Collateral Agent Treasury Securities having an aggregate principal amount equal to the aggregate Stated Amount of such Normal Units, and (b) transferring the related Normal Units to the Purchase Contract Agent accompanied by a notice to the Purchase Contract Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant amount of Treasury Securities to the Collateral Agent and requesting that the Purchase Contract Agent instruct the Collateral Agent to release the Pledged Trust Preferred

Securities or Pledged Treasury Consideration, as the case may be, underlying such Normal Units, whereupon the Purchase Contract Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit C hereto. Notwithstanding the foregoing, a Holder may not separate the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, from the related Purchase Contracts in respect of the Normal Units held by such Holder during the periods beginning on the fourth Business Day prior to the Remarketing Date or any Subsequent Remarketing Date, as the case may be, and ending on the expiration of the third Business Day following such dates. Upon receipt of the Treasury Securities described in clause (a) above and the instruction described in clause (b) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Purchase Contract Agent, on behalf of the Holder, such Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Purchase Contract Agent shall promptly:

(i) cancel the related Normal Units;

(ii) transfer the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, to the Holder; and

(iii) authenticate, execute on behalf of such Holder and deliver a Stripped Units Certificate executed by the Company to the Holder in accordance with Section 3.3 evidencing the same number of Purchase Contracts as were evidenced by the cancelled Normal Units.

Holders who elect to separate the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, from the related Purchase Contract and to substitute Treasury Securities for such Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

Holders may make Collateral Substitutions (i) if Treasury Securities are being substituted for Pledged Trust Preferred Securities, only in integral multiples of 20 Normal Units, or (ii) if the Collateral Substitutions occur after the Remarketing Date or any Subsequent Remarketing Date or a Tax Event Redemption, as the case may be, only in integral multiples of Normal Units such that the Treasury Securities to be deposited and the Treasury Consideration to be released are in integral multiples of \$1,000.

In the event a Holder making a Collateral Substitution pursuant to this Section 3.13 fails to effect a book-entry transfer of the Normal Units or fails to deliver a Normal Units Certificate to the Purchase Contract Agent after depositing Treasury Securities with the Collateral Agent, the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, constituting a part of such Normal Units, and any distributions on such Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, shall be held in the name of the Purchase Contract Agent or its nominee in trust for the benefit of such Holder, until such Normal Units are so transferred or the Normal Units Certificate is so delivered, as the

case may be, or, with respect to a Normal Units Certificate, such Holder provides evidence satisfactory to the Company and the Purchase Contract Agent that such Normal Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Purchase Contract Agent and the Company.

Except as described in this Section 3.13, for so long as the Purchase Contract underlying a Normal Unit remains in effect, such Normal Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Normal Unit in respect of the Trust Preferred Security or the appropriate Treasury Consideration, as the case may be, and the Purchase Contract comprising such Normal Unit may be acquired, and may be transferred and exchanged, only as a Normal Unit.

Section 3.14. Reestablishment of Normal Units. A Holder of Stripped Units may reestablish Normal Units at any time from and after the date of this Agreement and on or before the second Business Day immediately preceding the Stock Purchase Date, if a Tax Event has not occurred, by (a) depositing with the Collateral Agent the Trust Preferred Securities or the appropriate Treasury Consideration (and identified by reference to the Treasury Consideration then comprising Normal Units), as the case may be, then comprising such number of Normal Units as is equal to such Stripped Units and (b) transferring such Stripped Units to the Purchase Contract Agent accompanied by a notice to the Purchase Contract Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant amount of Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, to the Collateral Agent and requesting that the Purchase Contract Agent instruct the Collateral Agent to release the Pledged Treasury Securities underlying such Stripped Unit, whereupon the Purchase Contract Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit C hereto. Notwithstanding the foregoing, a Holder may not reestablish Normal Units during the periods beginning on the fourth Business Day prior to the Remarketing Date or any Subsequent Remarketing Date, as the case may be, and ending on the expiration of the third Business Day following such dates. Upon receipt of the Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, described in clause (a) above and the instruction described in clause (b) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Purchase Contract Agent, on behalf of the Holder, such Pledged Treasury Securities from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Purchase Contract Agent shall promptly:

(i) cancel the related Stripped Units;

(ii) transfer the Pledged Treasury Securities to the Holder;

and

(iii) authenticate, execute on behalf of such Holder and deliver a Normal Units Certificate executed by the Company to the Holder in accordance with Section 3.3 evidencing the same number of Purchase Contracts as were evidenced by the cancelled Stripped Units.

Holders of Stripped Units may reestablish Normal Units (i) only in integral multiples of 20 Stripped Units for 20 Normal Units or (ii) if the reestablishment occurs after the



Remarketing Date, any Subsequent Remarketing Date or a Tax Event Redemption, only in integral multiples of Stripped Units such that the Treasury Consideration to be deposited and the Treasury Securities to be released are in integral multiples of \$1,000.

Except as provided in this Section 3.14, for so long as the Purchase Contract underlying a Stripped Unit remains in effect, such Stripped Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Stripped Unit in respect of the Treasury Security and Purchase Contract comprising such Stripped Unit may be acquired, and may be transferred and exchanged, only as a Stripped Unit.

Section 3.15. Transfer of Collateral upon Occurrence of Termination Event. Upon the occurrence of a Termination Event and the transfer to the Purchase Contract Agent of the Trust Preferred Securities, the appropriate Treasury Consideration or the Treasury Securities, as the case may be, underlying the Normal Units and the Stripped Units pursuant to the terms of the Pledge Agreement, the Purchase Contract Agent shall request transfer instructions with respect to such Trust Preferred Securities or the appropriate Treasury Consideration or Treasury Securities, as the case may be, from each Holder by written request mailed to such Holder at its address as it appears in the Normal Units Register or the Stripped Units Register, as the case may be. Upon book-entry transfer of the Normal Units or Stripped Units or delivery of a Normal Units Certificate or Stripped Units Certificate to the Purchase Contract Agent with such transfer instructions, the Purchase Contract Agent shall transfer the Trust Preferred Securities, the appropriate Treasury Consideration or Treasury Securities, as the case may be, underlying such Normal Units or Stripped Units, as the case may be, to such Holder by book-entry transfer, or other appropriate procedures, in accordance with such instructions. In the event a Holder of Normal Units or Stripped Units fails to effect such transfer or delivery, the Trust Preferred Securities, the appropriate Treasury Consideration or Treasury Securities, as the case may be, underlying such Normal Units or Stripped Units, as the case may be, and any distributions thereon, shall be held in the name of the Purchase Contract Agent or its nominee in trust for the benefit of such Holder, until such Normal Units or Stripped Units are transferred or the Normal Units Certificate or Stripped Units Certificate is surrendered or such Holder provides satisfactory evidence that such Normal Units Certificate or Stripped Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Purchase Contract Agent and the Company.

Section 3.16. No Consent to Assumption. Each Holder of a Unit, by acceptance thereof, shall be deemed expressly to have withheld any consent to the assumption under Section 365 of the Bankruptcy Code or otherwise, of the Purchase Contract by the Company, any receiver, liquidator or person or entity performing similar functions or its trustee in the event that the Company becomes the debtor under the Bankruptcy Code or subject to other similar state or federal law providing for reorganization or liquidation.

#### ARTICLE IV. THE TRUST PREFERRED SECURITIES

Section 4.1. Payment of Distribution; Rights to Distributions Preserved; Notice. A distribution on any Trust Preferred Security or a payment on any Treasury Consideration, as the case may be, which is paid on any Payment Date shall, subject to receipt thereof by the Purchase Contract Agent from the Collateral Agent as provided by the terms of the Pledge Agreement, be paid to the Person in whose name the Normal Units Certificate (or one or more Predecessor Normal Units Certificates) of which such Trust Preferred Security or the appropriate Treasury Consideration, as the case may be, is a part is registered at the close of business on the Record Date for such Payment Date.

Each Normal Units Certificate evidencing Trust Preferred Securities delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Normal Units Certificate shall carry the rights to distributions accumulated and unpaid, and to accumulate distributions, which were carried by the Trust Preferred Securities underlying such other Normal Units Certificate.

In the case of any Normal Unit with respect to which Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date, or with respect to which Merger Early Settlement of the underlying Purchase Contract is effected on a Merger Early Settlement Date, or with respect to which a Collateral Substitution is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, distributions on the Trust Preferred Security or payments on the appropriate Treasury Consideration, as the case may be, underlying such Normal Unit otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Early Settlement, Merger Early Settlement or Collateral Substitution, as the case may be, and such distributions shall, subject to receipt thereof by the Purchase Contract Agent, be payable to the Person in whose name the Normal Units Certificate (or one or more Predecessor Normal Unit Certificates) was registered at the close of business on the Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Normal Unit with respect to which Early Settlement or Merger Early Settlement of the underlying Purchase Contract is effected, or with respect to which a Collateral Substitution has been effected, distributions on the related Trust Preferred Securities or payments on the appropriate Treasury Consideration, as the case may be, that would otherwise be payable after the applicable Settlement Date or after such Collateral Substitution, as the case may be, shall not be payable hereunder to the Holder of such Normal Unit; provided, that to the extent that such Holder continues to hold the separated Trust Preferred Securities that formerly comprised a part of such Holder's Normal Units, such Holder shall be entitled to receive the distributions on such separated Trust Preferred Securities.

Section 4.2. Notice and Voting. Under the terms of the Pledge Agreement, the Purchase Contract Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Pledged Trust Preferred Securities but only to the extent instructed by the Holders as described below. Upon receipt of notice of any meeting at which holders of Trust Preferred Securities are entitled to vote or upon any solicitation of consents, waivers or proxies of holders of Trust Preferred Securities, the Purchase Contract Agent shall, as soon as practicable

thereafter, mail to the Holders of Normal Units a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Holder on the record date set by the Purchase Contract Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of Trust Preferred Securities entitled to vote) shall be entitled to instruct the Purchase Contract Agent as to the exercise of the voting rights pertaining to the Pledged Trust Preferred Securities underlying their Normal Units and (c) stating the manner in which such instructions may be given. Upon the written request of the Holders of Normal Units on such record date, the Purchase Contract Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Pledged Trust Preferred Securities as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of a Normal Unit, the Purchase Contract Agent shall abstain from voting the Pledged Trust Preferred Security underlying such Normal Unit. The Company hereby agrees, if applicable, to solicit Holders of Normal Units to timely instruct the Purchase Contract Agent in order to enable the Purchase Contract Agent to vote such Pledged Trust Preferred Securities.

Section 4.3. Distribution of Notes(a) . Upon a voluntary or involuntary dissolution of the Trust in accordance with the Declaration, the Liquidation Distribution shall be delivered to the Collateral Agent in exchange for the Pledged Trust Preferred Securities. Thereafter, the applicable part of the Liquidation Distribution will be substituted for the Pledged Trust Preferred Securities, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligations of each Holder of Normal Units to purchase the Common Stock of the Company under the Purchase Contracts constituting a part of such Normal Units. The remaining portion of the Liquidation Distribution shall be distributed to the Holders of Separate Trust Preferred Securities (as defined in the Pledge Agreement). Following a voluntary or involuntary dissolution of the Trust, the Holders and the Collateral Agent shall have such security interests, rights and obligations with respect to the Liquidation Distribution as the Holders and the Collateral Agent had in respect of the Pledged Trust Preferred Securities as provided in Articles II, III, IV, V and VI of the Pledge Agreement, and, unless the context otherwise requires, any reference herein to the Trust Preferred Securities or Pledged Trust Preferred Securities shall be deemed to be a reference to such Notes. The Company may cause to be made in any Normal Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the liquidation of the Trust and the substitution of Notes for Trust Preferred Securities as Collateral.

(b) Upon the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the Redemption Price payable on the Tax Event Redemption Date with respect to the Applicable Principal Amount shall be deposited in the Collateral Account in exchange for the Pledged Trust Preferred Securities. Thereafter, pursuant to the terms of the Pledge Agreement, the Collateral Agent shall cause the Securities Intermediary to apply an amount equal to the Redemption Amount of such Redemption Price to purchase on behalf of the Holders of Normal Units the Treasury Portfolio and promptly remit the remaining portion of such Redemption Price, if any, to the Agent for payment to the Holders of such Normal Units. The Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio will be substituted as Collateral for the Pledged Trust Preferred Securities, and will be

held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of Normal Units to purchase the Common Stock of the Company under the Purchase Contract constituting a part of such Normal Units. The Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio shall be transferred by the Securities Intermediary to the Purchase Contract Agent, free and clear of any lien, pledge or security interest created by the Pledge Agreement. Following the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the Holders of Normal Units and the Collateral Agent shall have such security interest rights and obligations with respect to the Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio as the Holders of Normal Units and the Collateral Agent had in respect of the Trust Preferred Securities, as the case may be, subject to the Pledge thereof as provided in Articles II, III, IV, V, and VI of the Pledge Agreement, and any reference herein to Trust Preferred Securities shall be deemed to be reference to such Treasury Portfolio. The Company may cause to be made in any Normal Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the liquidation of the Trust and the substitution of the Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio for Treasury Securities or Trust Preferred Securities as Collateral. If a Tax Event Redemption occurs after the Stock Purchase Date, the Treasury Portfolio will not be purchased and the proceeds applicable to the Trust Preferred Securities will be distributed to the Purchase Contract Agent for payment to the holders of the Trust Preferred Securities. If a Tax Event Redemption occurs, Holders of Securities that are not part of the Units will directly receive proceeds from the redemption of the Notes.

#### ARTICLE V. THE PURCHASE CONTRACTS; THE REMARKETING

Section 5.1. Purchase of Shares of Common Stock. Each Purchase Contract shall, unless an Early Settlement has occurred in accordance with Section 5.7, or a Merger Early Settlement has occurred in accordance with Section 5.8, obligate the Holder of the related Unit to purchase, and the Company to sell, on the Stock Purchase Date at a price equal to \$50 (the "Purchase Price"), a number of newly issued shares of Common Stock equal to the Settlement Rate unless, on or prior to the Stock Purchase Date, there shall have occurred a Termination Event with respect to the Unit of which such Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$33.55 (the "Threshold Appreciation Price"), 1.4903 shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price, but is greater than \$27.50, the number of shares of Common Stock per Purchase Contract equal to the Stated Amount of the related Unit divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$27.50, 1.8182 shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in Section 5.4 (and in each case rounded upward or downward to the nearest 1/10,000th of a share). As provided in Section 5.10, no fractional shares of Common Stock will be issued upon settlement of Purchase Contracts.

The "Applicable Market Value" means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Stock Purchase Date.

The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, the closing sale price per share as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, as reported by The Nasdaq Stock Market, or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Each Holder of a Unit, by its acceptance thereof, irrevocably authorizes the Purchase Contract Agent to enter into and perform the related Purchase Contract on its behalf as its attorney-in-fact (including the execution of Certificates on behalf of such Holder), agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contracts, and consents to the provisions hereof, irrevocably authorizes the Purchase Contract Agent as its attorney-in-fact to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to and agrees to be bound by the Pledge of the Trust Preferred Securities, the appropriate Treasury Consideration or the Treasury Securities pursuant to the Pledge Agreement; provided that upon a Termination Event, the rights of the Holder of such Unit under the Purchase Contract may be enforced without regard to any other rights or obligations. Each Holder of a Unit, by its acceptance thereof, further covenants and agrees, that, to the extent and in the manner provided in Section 5.2 and the Pledge Agreement, but subject to the terms thereof, payments in respect of the Trust Preferred Securities, the appropriate Treasury Consideration or the Treasury Securities to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, shall be paid on the Stock Purchase Date by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract.

Upon registration of transfer of a Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee) under the terms of this Agreement, the Purchase Contracts underlying such Certificate and the Pledge Agreement, and the transferor shall be released from the obligations under this Agreement, the Purchase

Contracts underlying the Certificates so transferred and the Pledge Agreement. The Company covenants and agrees, and each Holder of a Certificate, by its acceptance thereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

Section 5.2. Payment of Purchase Price; Remarketing. (a) Unless a Tax Event Redemption or a Termination Event has occurred or a Holder of a Unit has settled the underlying Purchase Contract through an Early Settlement pursuant to Section 5.7 or a Merger Early Settlement pursuant to Section 5.8, the settlement of the Purchase Contract underlying a Unit will be made in accordance with this Section 5.2.

(b) (i) The Company shall engage a nationally recognized investment bank to act as Remarketing Agent (the "Remarketing Agent") pursuant to the Remarketing Agreement (substantially in the form attached hereto as Exhibit E, with such changes and modifications as the parties thereto agree on) to sell the Trust Preferred Securities of Holders of Normal Units, other than Holders that have elected not to participate in the remarketing pursuant to (iv) below, and holders of Separate Trust Preferred Securities that have elected to participate in the remarketing pursuant to Section 4.5(c) of the Pledge Agreement. On the seventh Business Day prior to February 15 2004, the Purchase Contract Agent shall give Holders of Normal Units and holders of Separate Trust Preferred Securities notice of remarketing in a daily newspaper in the English language of general circulation in The City of New York, which is expected to be The Wall Street Journal, including the specific U.S. Treasury security or securities (including the CUSIP number and/or the principal terms of such Treasury security or securities) described in clause (iv) below, that must be delivered by Holders of Normal Units that elect not to participate in the remarketing pursuant to (iv) below, no later than 10:00 a.m. on the first Business Day immediately preceding the Remarketing Date. The Purchase Contract Agent shall notify, by 10:00 a.m., New York City time, on the first Business Day immediately preceding the Remarketing Date, the Remarketing Agent and the Collateral Agent of the aggregate number of Trust Preferred Securities of Normal Unit Holders to be remarketed. On the first Business Day immediately preceding the Remarketing Date, no later than 10:00 a.m. New York City time, pursuant to the terms of the Pledge Agreement, the Custodial Agent will notify the Remarketing Agent of the aggregate number of Separate Trust Preferred Securities to be remarketed. On the first Business Day immediately preceding the Remarketing Date, the Collateral Agent and the Custodial Agent, pursuant to the terms of the Pledge Agreement, will deliver for remarketing to the Remarketing Agent all Trust Preferred Securities to be remarketed. Upon receipt of such notice from the Purchase Contract Agent and the Custodial Agent and such Trust Preferred Securities from the Collateral Agent and the Custodial Agent, the Remarketing Agent will, use its reasonable best efforts to sell such Trust Preferred Securities on such date at a price equal to at least 100.25% of the Remarketing Value. The Remarketing Agent will use the proceeds from a successful remarketing to purchase the appropriate U.S. Treasury securities (the "Agent-purchased Treasury Consideration") with the CUSIP numbers, if any, selected by Remarketing Agent, described in clauses (i)(1) and (ii)(1) of the definition of Remarketing Value related to the Trust Preferred Securities of Holders of Normal Units that were remarketed. On or prior to the third Business Day following the Remarketing Date, the Remarketing Agent shall deliver such Agent-purchased Treasury Consideration to the Agent, which shall thereupon deliver such Agent-purchased Treasury Consideration to the Collateral Agent. The Collateral Agent, for the

benefit of the Company, will thereupon apply such Agent-purchased Treasury Consideration, in accordance with the Pledge Agreement, to secure such Holders' obligations under the Purchase Contracts. The Remarketing Agent will deduct as a Remarketing Fee for itself an amount not exceeding 25 basis points (0.25%) of the total proceeds from the remarketing. The Remarketing Agent will remit (1) the portion of the proceeds from the remarketing attributable to the Separate Trust Preferred Securities to the holders of Separate Trust Preferred Securities that were remarketed and (2) the remaining portion of the proceeds, less those proceeds used to purchase the Agent-purchased Treasury Consideration, to the Purchase Contract Agent for the benefit of the Holders of the Normal Units that were remarketed, all determined on a pro rata basis, in each case, on or prior to the third Business Day following the Remarketing Date. Holders whose Trust Preferred Securities are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith.

The "Remarketing Value" means the sum of (i) the value at the Remarketing Date or the Subsequent Remarketing Date, as the case may be, of U.S. Treasury securities that will pay, on or prior to the Quarterly Payment Date falling on the Stock Purchase Date, an amount of cash equal to the aggregate distributions that are scheduled to be payable on that Quarterly Payment Date, on (1) the Trust Preferred Securities that are included in Normal Units and (2) the Separate Trust Preferred Securities, in each case, which are participating in the remarketing, assuming for that purpose that (x) no distribution payment on the Trust Preferred Securities will then have been deferred and (y) the distribution rate on the Trust Preferred Securities is equal to the Coupon Rate, (ii) the value at the Remarketing Date or the Subsequent Remarketing Date, as the case may be, of U.S. Treasury securities that will pay, on or prior to the Stock Purchase Date, an amount of cash equal to the Stated Amount of (1) such Trust Preferred Securities that are included in Normal Units and (2) the Separate Trust Preferred Securities, in each case, which are participating in the remarketing, and (iii) Contract Adjustment Payments or if distribution payments on the Trust Preferred Securities are then being deferred, the amount equal to such deferred Contract Adjustment Payments or the aggregate unpaid distribution payments on (1) the Trust Preferred Securities that are included in Normal Units and (2) the Separate Trust Preferred Securities, in each case, which are participating in the remarketing accumulated to the third Business Day following the Remarketing Date or the Subsequent Remarketing Date, as the case may be; provided that for purposes of clauses (i) and (ii), above, the Remarketing Value shall be calculated on the assumptions that (x) the U.S. Treasury securities are highly liquid and mature on or within 35 days prior to the Stock Purchase Date, as determined in good faith by the Remarketing Agent in a manner intended to minimize the Remarketing Value, and (y) the U.S. Treasury securities are valued based on the ask-side price of the Treasury securities at a time between 9:00 a.m. and 11:00 a.m., New York City time, selected by the Remarketing Agent, on the Remarketing Date or Subsequent Remarketing Date, as the case may be, as determined on a third-day settlement basis by a reasonably and customary means selected in good faith by the Remarketing Agent, plus accrued interest to that date.

(ii) If, in spite of using its commercially reasonable best efforts, the Remarketing Agent cannot remarket the Trust Preferred Securities included in the remarketing at a price equal to at least 100.25% of the Remarketing Value, the remarketing will be deemed to have failed (a "Failed Remarketing"). If a Failed Remarketing occurs, within three Business Days following the

Remarketing Date, the Remarketing Agent shall return any Trust Preferred Securities delivered to it to the Collateral Agent and the Custodial Agent, as applicable. The Remarketing Agent may make one or more attempts to remarket the Trust Preferred Securities in accordance with the procedures set forth in this Section 5.2(b) and the Remarketing Agreement, provided that (i) the notice of any Subsequent Remarketing cannot be given until the Failed Remarketing notice (referred to below) has been published in respect of any immediately preceding Failed Remarketing and (ii) the settlement date in respect of any Subsequent Remarketing must fall no later than on the Business Day immediately preceding the Stock Purchase Date. If by the Stock Purchase Date the Remarketing Agent has failed to remarket the Trust Preferred Securities at a price equal to at least 100.25% of the Remarketing Value, in accordance with the terms of the Pledge Agreement, the Collateral Agent, for the benefit of the Company, may exercise its rights as a secured party with respect to such Trust Preferred Securities, including those actions specified in (b) (iii) below; provided that if upon a Failed Remarketing, the Collateral Agent exercises such rights for the benefit of the Company with respect to such Trust Preferred Securities, any accumulated and unpaid distributions on such Trust Preferred Securities will become payable by the Company to the Purchase Contract Agent for payment to the Holders of the Normal Units to which such Trust Preferred Securities relates. Such payment will be made by the Company on or prior to 11:00 a.m., New York City time, on the Stock Purchase Date in lawful money of the United States by certified or cashiers' check or wire transfer in immediately available funds payable to or upon the order of the Purchase Contract Agent. The Company will cause a notice of any Failed Remarketing to be published on the second Business Day following the Remarketing Date and any Subsequent Remarketing Date, as the case may be, in a daily newspaper in the English language of general circulation in The City of New York, which is expected to be The Wall Street Journal.

(iii) With respect to any Trust Preferred Securities which constitute part of Normal Units which are subject to a Failed Remarketing, the Collateral Agent for the benefit of the Company reserves all of its rights as a secured party with respect thereto and, subject to applicable law and paragraph (e) below, may, among other things, (x) retain such Trust Preferred Securities in full satisfaction of the Holders' obligations under the Purchase Contracts or (y) sell such Trust Preferred Securities in one or more public or private sales.

(iv) A Holder of Normal Units may elect not to participate in the remarketing and retain the Trust Preferred Securities underlying such Units by notifying the Purchase Contract Agent of such election and delivering the specific U.S. Treasury security or securities (including the CUSIP number and/or the principal terms of such security or securities) identified by the Purchase Contract Agent that constitute the U.S. Treasury securities described in clauses (i) and (ii) of the definition of Remarketing Value relating to the retained Trust Preferred Securities (as if only such Trust Preferred Securities were being remarketed) ("Opt-out Treasury Consideration") to the Purchase Contract Agent not later than 10:00 a.m. on the seventh Business Day prior to the Remarketing Date (or, in the case of a Failed Remarketing, not later than 10:00 a.m. on the fourth Business Day immediately prior to the Subsequent Remarketing Date). Upon receipt thereof by the Purchase Contract Agent, the Purchase Contract Agent shall deliver such Opt-out Treasury Consideration to the Collateral Agent, which will, for the benefit of the Company, thereupon apply such Opt-out Treasury Consideration to secure such Holder's



obligations under the Purchase Contracts. On the first Business Day immediately preceding the Remarketing Date, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will deliver the Pledged Trust Preferred Securities of such Holder to the Purchase Contract Agent. Within three Business Days following the Remarketing Date, (i) if the remarketing was successful, the Purchase Contract Agent shall distribute such Trust Preferred Securities to the Holders thereof, and (ii) if there was a Failed Remarketing on such date, the Purchase Contract Agent will deliver such Trust Preferred Securities to the Collateral Agent, which will, for the benefit of the Company, thereupon apply such Trust Preferred Securities to secure such Holders' obligations under the Purchase Contract and return the Opt-out Treasury Consideration delivered by such Holders to such Holders. A Holder that does not so deliver the Opt-out Treasury Consideration pursuant to this clause (iv) shall be deemed to have elected to participate in the remarketing.

(c) Upon the maturity of the Pledged Treasury Securities underlying the Stripped Units and the Pledged Treasury Consideration underlying the Normal Units, on the Stock Purchase Date, the Collateral Agent shall remit to the Company an amount equal to the aggregate Purchase Price applicable to such Units, as payment for the Common Stock issuable upon settlement thereof without receiving any instructions from the Holders of such Units. In the event the payments in respect of the Pledged Treasury Securities or the Pledged Treasury Consideration underlying a Unit is in excess of the Purchase Price of the Purchase Contract being settled thereby, the Collateral Agent will distribute such excess to the Purchase Contract Agent for the benefit of the Holder of such Unit when received.

(d) Any distribution to Holders of excess funds and interest described in paragraphs (b) and (c) above shall be payable at the office of the Purchase Contract Agent in The City of New York maintained for that purpose or, at the option of the Holder or the holder of separate Trust Preferred Securities, as applicable, by check mailed to the address of the Person entitled thereto at such address as it appears on the Register or by wire transfer to an account specified by the Holder or the holder of separate Trust Preferred Securities, as applicable.

(e) The obligations of each Holder to pay the Purchase Price are non-recourse obligations and except to the extent paid by Early Settlement or Merger Early Settlement, are payable solely out of the proceeds of any Collateral pledged to secure the obligations of the Holders and in no event will Holders be liable for any deficiency between such payments and the Purchase Price.

(f) Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue any Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder of the related Unit unless the Company shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder by such Holder in the manner herein set forth.

Section 5.3. Issuance of Shares of Common Stock(a) . Unless a Termination Event shall have occurred on or prior to the Stock Purchase Date or an Early Settlement or a Merger Early Settlement shall have occurred, on the Stock Purchase Date, upon its receipt of payment in

full of the Purchase Price for the shares of Common Stock purchased by the Holders pursuant to the foregoing provisions of this Article and subject to Section 5.4(b), the Company shall issue and deposit with the Purchase Contract Agent, for the benefit of the Holders of the Outstanding Securities, one or more certificates representing the newly issued shares of Common Stock registered in the name of the Purchase Contract Agent (or its nominee) as custodian for the Holders (such certificates for shares of Common Stock, together with any dividends or distributions for which a record date and payment date for such dividend or distribution has occurred after the Stock Purchase Date, being hereinafter referred to as the "Purchase Contract Settlement Fund") to which the Holders are entitled hereunder. Subject to the foregoing, upon surrender of a Certificate to the Purchase Contract Agent on or after the Stock Purchase Date, together with settlement instructions thereon duly completed and executed, the Holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Common Stock which such Holder is entitled to receive pursuant to the provisions of this Article V (after taking into account all Units then held by such Holder) together with cash in lieu of fractional shares as provided in Section 5.10 and any dividends or distributions with respect to such shares constituting part of the Purchase Contract Settlement Fund, but without any interest thereon, and the Certificate so surrendered shall forthwith be cancelled. Such shares shall be registered in the name of the Holder or the Holder's designee as specified in the settlement instructions provided by the Holder to the Purchase Contract Agent. If any shares of Common Stock issued in respect of a Purchase Contract are to be registered to a Person other than the Person in whose name the Certificate evidencing such Purchase Contract is registered, no such registration shall be made unless the Person requesting such registration has paid any transfer and other taxes required by reason of such registration in a name other than that of the registered Holder of such Certificate or has established to the satisfaction of the Company that such tax either has been paid or is not payable.

(b) Prior to the date on which shares of Common Stock are issued in settlement of Purchase Contracts, the Common Stock underlying the related Purchase Contracts will not be deemed to be outstanding for any purpose and each Holder will have no rights with respect to the Common Stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the Common Stock, by virtue of holding the Purchase Contract.

Section 5.4. Adjustment of Settlement Rate. Adjustments for Dividends, Distributions, Stock Splits, Etc. (1) In case the Company shall pay or make a dividend or other distribution on the Common Stock in Common Stock, the Settlement Rate, as in effect at the opening of business on the Business Day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by dividing such Settlement Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (1), the number of shares of Common Stock at the time outstanding shall not include shares held in the treasury of the Company but shall include any shares issuable

in respect of any scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock (not being available on an equivalent basis to Holders of the Units upon settlement of the Purchase Contracts underlying such Units) entitling them, for a period expiring within 45 days after the record date for the determination of stockholders entitled to receive such rights, options or warrants, to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price per share of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants (other than pursuant to a dividend reinvestment plan), the Settlement Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Settlement Rate by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Current Market Price and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of shares of Common Stock. The Company shall not issue any such rights, options or warrants in respect of shares of Common Stock held in the treasury of the Company.

(3) In case outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, the Settlement Rate in effect at the opening of business on the day following the day upon which such subdivision or split becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Settlement Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, split or combination becomes effective.

(4) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or assets (including securities, but excluding any rights or warrants referred to in paragraph (2) of this Section, any dividend or distribution paid exclusively in cash and any dividend or distribution referred to in paragraph (1) of this Section), the Settlement Rate shall be adjusted so that the same shall equal the rate determined by dividing the Settlement Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a

fraction, the numerator of which shall be the Current Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution filed with the Purchase Contract Agent) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator of which shall be such Current Market Price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. In any case in which this paragraph (4) is applicable, paragraph (2) of this Section shall not be applicable.

(5) In case the Company shall, (i) by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding any cash that is distributed in a Reorganization Event to which Section 5.4(b) applies or as part of a distribution referred to in paragraph (4) of this Section) in an aggregate amount that, combined together with (ii) the aggregate amount of any other distributions to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (5) or paragraph (6) of this Section has been made and (iii) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) of consideration payable in respect of any tender or exchange offer by the Company or any of its subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of the distribution described in clause (i) above and in respect of which no adjustment pursuant to this paragraph (5) or paragraph (6) of this Section has been made, exceeds 15% of the product of the Current Market Price per share of the Common Stock on the date for the determination of holders of shares of Common Stock entitled to receive such distribution multiplied by the number of shares of Common Stock outstanding on such date, then, and in each such case, immediately after the close of business on such date for determination, the Settlement Rate shall be increased so that the same shall equal the rate determined by dividing the Settlement Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the Current Market Price per share of the Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the combined amount distributed or payable in the transactions described in clauses (i), (ii) and (iii) above and (y) the number of shares of Common Stock outstanding on such date for determination and (ii) the denominator of which shall be equal to the Current Market Price per share of the Common Stock on such date for determination.

(6) In case (i) a tender or exchange offer made by the Company or any subsidiary of the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (ii) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive

and described in a Board Resolution), as of the expiration of such tender or exchange offer, of consideration payable in respect of any other tender or exchange offer, by the Company or any subsidiary of the Company for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made and (iii) the aggregate amount of any distributions to all holders of the Company's Common Stock made exclusively in cash within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made, exceeds 15% of the product of the Current Market Price per share of the Common Stock as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender or exchange offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Settlement Rate shall be adjusted so that the same shall equal the rate determined by dividing the Settlement Rate immediately prior to the close of business on the date of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (i) the Current Market Price per share of the Common Stock on the date of the Expiration Time and (ii) the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time less (B) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the transactions described in clauses (i), (ii) and (iii) above (assuming in the case of clause (i) the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares), and (ii) the denominator of which shall be equal to the product of (A) the Current Market Price per share of the Common Stock as of the Expiration Time and (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities including securities other than Common Stock (other than any reclassification upon a Reorganization Event to which Section 5.4(b) applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision, split or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision or split becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the day upon which such subdivision, split or combination becomes effective" within the meaning of paragraph (3) of this Section).

(8) The "Current Market Price" per share of Common Stock on any day means the average of the daily Closing Prices for the 5 consecutive Trading Days selected by the

Company commencing not more than 20 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, shall mean the first date on which the Common Stock trades regular way on such exchange or in such market without the right to receive such issuance or distribution.

(9) All adjustments to the Settlement Rate shall be calculated to the nearest 1/10,000th of a share of Common Stock (or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share). No adjustment in the Settlement Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, that any adjustments which by reason of this subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment. If an adjustment is made to the Settlement Rate pursuant to paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.4(a), an adjustment shall also be made to the Applicable Market Value solely to determine which of clauses (a), (b) or (c) of the definition of Settlement Rate in Section 5.1 will apply on the Stock Purchase Date. Such adjustment shall be made by multiplying the Applicable Market Value by a fraction, the numerator of which shall be the Settlement Rate immediately after such adjustment pursuant to paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.4(a) and the denominator of which shall be the Settlement Rate immediately before such adjustment; provided, that if such adjustment to the Settlement Rate is required to be made pursuant to the occurrence of any of the events contemplated by paragraph (1), (2), (3), (4), (5), (7) or (10) of this Section 5.4(a) during the period taken into consideration for determining the Applicable Market Value, appropriate and customary adjustments shall be made to the Settlement Rate.

(10) The Company may make such increases in the Settlement Rate, in addition to those required by this Section, as it considers to be advisable in order to avoid or diminish any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons.

(b) Adjustment for Consolidation, Merger or Other Reorganization Event. In the event of (i) any consolidation or merger of the Company with or into another Person (other than a merger or consolidation in which the Company is the continuing corporation and in which the Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of the Company or another corporation), (ii) any sale, transfer, lease or conveyance to another Person of the property of the Company as an entirety or substantially as an entirety, (iii) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition) or (iv) any liquidation, dissolution or winding up of the Company other than as a result of or after the occurrence of a Termination Event (any such event, a "Reorganization Event"), the Settlement Rate will be adjusted to provide that each Holder of Units will receive on the Stock Purchase Date with respect to each Purchase Contract forming a part thereof, the kind and amount of securities, cash and other property receivable upon such Reorganization Event (without any interest thereon, and without any right to dividends or distribution thereon which have a record

date that is prior to the Stock Purchase Date) by a Holder of the number of shares of Common Stock issuable on account of each Purchase Contract if the Stock Purchase Date had occurred immediately prior to such Reorganization Event assuming such Holder of Common Stock is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be (any such Person, a "Constituent Person"), or an Affiliate of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Company and non-Affiliates and such Holder failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such Reorganization Event (provided that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such Reorganization Event by each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). In the event of such a Reorganization Event, the Person formed by such consolidation, merger or exchange or the Person which acquires the assets of the Company or, in the event of a liquidation or dissolution of the Company, the Company or a liquidating trust created in connection therewith, shall execute and deliver to the Purchase Contract Agent an agreement supplemental hereto providing that the Holder of each Outstanding Security shall have the rights provided by this Section 5.4. Such supplemental agreement shall provide for adjustments which, for events subsequent to the effective date of such supplemental agreement, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section. The above provisions of this Section shall similarly apply to successive Reorganization Events.

Section 5.5. Notice of Adjustments and Certain Other Events. (a)

Whenever the Settlement Rate is adjusted as herein provided, the Company shall:

(i) forthwith compute the Settlement Rate in accordance with Section 5.4 and prepare and transmit to the Purchase Contract Agent an Officer's Certificate setting forth the Settlement Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and

(ii) within 10 Business Days following the occurrence of an event that requires an adjustment to the Settlement Rate pursuant to Section 5.4 (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), provide a written notice to the Holders of the Units of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the Settlement Rate was determined and setting forth the adjusted Settlement Rate.

(b) The Purchase Contract Agent shall not at any time be under any duty or responsibility to any Holder of Units to determine whether any

facts exist which may require any adjustment of the Settlement Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Purchase Contract Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at the time be issued or delivered with respect to any Purchase Contract; and the Purchase Contract Agent makes no representation with respect thereto. The Purchase Contract Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock pursuant to a Purchase Contract or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article.

Section 5.6. Termination Event; Notice. The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive, and the obligations of the Company to pay, Contract Adjustment Payments and the rights and obligations of Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Purchase Contract Agent or the Company, if, on or prior to the Stock Purchase Date, a Termination Event shall have occurred. Upon and after the occurrence of a Termination Event, the Normal Units shall thereafter represent the right to receive the Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, forming a part of such Normal Units, and the Stripped Units shall thereafter represent the right to receive the Treasury Securities forming a part of such Stripped Units, in each case in accordance with the provisions of Section 4.3 of the Pledge Agreement. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Purchase Contract Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Register.

Section 5.7. Early Settlement. (a) Subject to and upon compliance with the provisions of this Section 5.7, Purchase Contracts underlying Units having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof, may, at the option of the Holder thereof, be settled early ("Early Settlement") (unless a Tax Event Redemption has occurred) on or prior to the seventh Business Day immediately preceding the Remarketing Date or any Subsequent Remarketing Date; and if either the Normal Units have been converted into Stripped Units or if a Tax Event Redemption has occurred and the Treasury Portfolio has become a component of the Normal Units, Purchase Contracts underlying Normal Units may be settled early on or prior to the second Business Day immediately preceding the Stock Purchase Date, but only in an aggregate amount of \$1,000 or in an integral multiple thereof. In order to exercise the right to effect Early Settlement with respect to any Purchase Contracts, the Holder of the Certificate evidencing the related Units shall deliver such Certificate to the Purchase Contract Agent at the Corporate Trust office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early on the reverse thereof duly completed and accompanied by payment (payable to the Company in immediately available funds in an amount (the "Early Settlement Amount") equal to (1) the product of (A) the Stated Amount of such Units times (B) the number of Purchase Contracts with respect to which the Holder has elected to effect Early Settlement. No payment or adjustment shall be made upon Early Settlement of any Purchase Contract on account of any Contract Adjustment Payments accrued on such Purchase Contract or on account of any



dividends on the Common Stock issued upon such Early Settlement (2) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date for any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable on such Payment Date with respect to such Purchase Contracts.

If the foregoing requirements are first satisfied with respect to Purchase Contracts underlying any Unit at or prior to 5:00 p.m., New York City time, on a Business Day, such day shall be the "Early Settlement Date" with respect to such Unit and if such requirements are first satisfied after 5:00 p.m., New York City time, on a Business Day or on a day that is not a Business Day, the "Early Settlement Date" with respect to such Units shall be the next succeeding Business Day.

(b) Upon Early Settlement of any Purchase Contract by the Holder of the related Units, the Company shall issue, and the Holder shall be entitled to receive, 1.4903 shares of Common Stock on account of such Purchase Contract (the "Early Settlement Rate"). The Early Settlement Rate shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted. As promptly as practicable after Early Settlement of Purchase Contracts in accordance with the provisions of this Section 5.7, the Company shall issue and shall deliver to the Purchase Contract Agent at the Corporate Trust Office a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.10.

(c) No later than the third Business Day after the applicable Early Settlement Date, the Company shall cause (i) the shares of Common Stock issuable upon Early Settlement of Purchase Contracts to be issued and delivered, and (ii) the related Pledged Trust Preferred Securities or Pledged Treasury Consideration, in the case of Normal Units, or the related Pledged Treasury Securities, in the case of Stripped Units, to be released from the Pledge by the Collateral Agent and transferred, in each case, to the Purchase Contract Agent for delivery to the Holder thereof or the Holder's designee.

(d) Upon Early Settlement of any Purchase Contracts, and subject to receipt of shares of Common Stock from the Company and the Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, from the Collateral Agent, as applicable, the Purchase Contract Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Units, (i) transfer to the Holder the Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, forming a part of such Units, and (ii) deliver to the Holder a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.10.

(e) In the event that Early Settlement is effected with respect to Purchase Contracts underlying less than all the Units evidenced by a Certificate, upon such Early Settlement the Company shall execute and the Purchase Contract Agent shall authenticate,

countersign and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Units as to which Early Settlement was not effected.

Section 5.8. Early Settlement Upon Merger. (a) In the event of a merger or consolidation of the Company of the type described in clause (i) of Section 5.4(b) in which the Common Stock outstanding immediately prior to such merger or consolidation is exchanged for consideration consisting of at least 30% cash or cash equivalents (any such event a "Cash Merger"), then the Company (or the successor to the Company hereunder) shall be required to offer the Holder of each Unit the right to settle the Purchase Contract underlying such Unit prior to the Stock Purchase Date ("Merger Early Settlement") as provided herein. On or before the fifth Business Day after the consummation of a Cash Merger, the Company or, at the request and expense of the Company, the Purchase Contract Agent, shall give all Holders notice of the occurrence of the Cash Merger and of the right of Merger Early Settlement arising as a result thereof. The Company shall also deliver a copy of such notice to the Purchase Contract Agent and the Collateral Agent.

Each such notice shall contain:

(i) the date, which shall be not less than 20 nor more than 30 calendar days after the date of such notice, on which the Merger Early Settlement will be effected (the "Merger Early Settlement Date");

(ii) the date, which shall be three Business Days prior to the Merger Early Settlement Date, by which the Merger Early Settlement right must be exercised;

(iii) the Settlement Rate in effect as a result of such Cash Merger and the kind and amount of securities, cash and other property receivable by the Holder upon settlement of each Purchase Contract pursuant to Section 5.4(b);

(iv) a statement to the effect that all or a portion of the Purchase Price payable by the Holder to settle the Purchase Contract will be offset against the amount of cash so receivable upon exercise of Merger Early Settlement, as applicable; and

(v) the instructions a Holder must follow to exercise the Merger Early Settlement right.

(b) To exercise a Merger Early Settlement right, a Holder shall deliver to the Purchase Contract Agent at the Corporate Trust Office on or one Business Day before the Merger Settlement Date, at 5:00 p.m., New York City time the Certificate(s) evidencing the Units with respect to which the Merger Early Settlement right is being exercised duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early on the reverse thereof duly completed and accompanied by payment (payable to the Company in immediately available funds in an amount equal to the Early Settlement Amount less the amount of cash that otherwise would be deliverable by the Company or its successor upon settlement of the Purchase Contract

in lieu of Common Stock pursuant to Section 5.4(b) and as described in the notice to Holders (the "Merger Early Settlement Amount").

(c) On the Merger Early Settlement Date the Company shall deliver or cause to be delivered (i) the net cash, securities and other property to be received by such exercising Holder, equal to the Settlement Rate as adjusted pursuant to Section 5.4, in respect of the number of Purchase Contracts for which such Merger Early Settlement right was exercised, and (ii) the related Pledged Trust Preferred Securities or Pledged Treasury Consideration, in the case of Normal Units, or Pledged Treasury Securities, in the case of Stripped Units, to be released from the Pledge by the Collateral Agent and transferred, in each case, to the Purchase Contract Agent for delivery to the Holder thereof or its designee. In the event a Merger Early Settlement right shall be exercised by a Holder in accordance with the terms hereof, all references herein to Stock Purchase Date shall be deemed to refer to such Merger Early Settlement Date.

(d) Upon Merger Early Settlement of any Purchase Contracts, and subject to receipt of such net cash, securities or other property from the Company and the Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, from the Collateral Agent, as applicable, the Purchase Contract Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Units, (i) transfer to the Holder the Pledged Trust Preferred Securities, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, forming a part of such Units, and (ii) deliver to the Holder such net cash, securities or other property issuable upon such Merger Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.10.

(e) In the event that Merger Early Settlement is effected with respect to Purchase Contracts underlying less than all the Units evidenced by a Certificate, upon such Merger Early Settlement the Company (or the successor to the Company hereunder) shall execute and the Purchase Contract Agent shall authenticate, countersign and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Units as to which Merger Early Settlement was not effected.

Section 5.9. Charges and Taxes. The Company will pay all stock transfer and similar taxes attributable to the initial issuance and delivery of the shares of Common Stock pursuant to the Purchase Contracts; provided, that the Company shall not be required to pay any such tax or taxes which may be payable in respect of any exchange of or substitution for a Certificate evidencing a Unit or any issuance of a share of Common Stock in a name other than that of the registered Holder of a Certificate surrendered in respect of the Units evidenced thereby, other than in the name of the Purchase Contract Agent, as custodian for such Holder, and the Company shall not be required to issue or deliver such share Certificate or Certificates unless and until the Person or Persons requesting the transfer or issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 5.10. No Fractional Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued or delivered upon settlement on the Stock Purchase Date or upon Early Settlement or Merger Early Settlement of any Purchase Contracts. If Certificates evidencing more than one Purchase Contract shall be surrendered for settlement at one time by the same Holder, the number of full shares of Common Stock which shall be delivered upon settlement shall be computed on the basis of the aggregate number of Purchase Contracts evidenced by the Certificates so surrendered. Instead of any fractional share of Common Stock which would otherwise be deliverable upon settlement of any Purchase Contracts on the applicable Settlement Date or upon Early Settlement or Merger Early Settlement, the Company, through the Purchase Contract Agent, shall make a cash payment in respect of such fractional shares in an amount equal to the value of such fractional shares times the Applicable Market Value. The Company shall provide the Purchase Contract Agent from time to time with sufficient funds to permit the Purchase Contract Agent to make all cash payments required by this Section 5.10 in a timely manner.

Section 5.11. Contract Adjustment Payments(a) . The Company shall pay, on each Payment Date, the Contract Adjustment Payments payable in respect of each Purchase Contract to the Person in whose name a Certificate (or one or more Predecessor Certificates) is registered at the close of business on the Record Date next preceding such Payment Date in such coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts. The Contract Adjustment Payments will be payable at the office of the Purchase Contract Agent in The City of New York maintained for that purpose or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Normal Units Register or the Stripped Units Register. If any date on which Contract Adjustment Payments are to be made is not a Business Day, then payment of the Contract Adjustment Payments payable on such date will be made on the next day that is a Business Day (and without any interest in respect of any such delay), except that, if such Business Day is in the next calendar year, such payment will be made on the preceding Business Day.

Upon the occurrence of a Termination Event, the Company's obligation to pay Contract Adjustment Payments (including any accrued and deferred Contract Adjustment Payments) shall cease.

Each Certificate delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of (including as a result of a Collateral Substitution or the reestablishment of Normal Unit Certificate any other Certificate shall carry the right to accrued and unpaid Contract Adjustment Payments, and the right to accrue Contract Adjustment Payments, which rights were carried by the Purchase Contracts underlying such other Certificates.

Subject to Section 5.7, in the case of any Security with respect to which Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date that is after any Record Date and on or prior to the next succeeding Payment Date, Contract Adjustment Payments otherwise payable on such Payment Date shall be payable on such Payment Date

notwithstanding such Early Settlement, and such Contract Adjustment Payments shall be paid to the Person in whose name the Certificate evidencing such Security (or one or more Predecessor Certificates) is registered at the close of business on such Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Security with respect to which Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date, Contract Adjustment Payments that would otherwise be payable after the Early Settlement Date with respect to such Purchase Contract shall not be payable.

(b) Provided no event of default under the Indenture has occurred and is continuing, Contract Adjustment Payments may be deferred, at the discretion of the Company, but, in no event later than the Stock Purchase Date, any Contract Adjustment Payments, so deferred, shall be treated as additional Contract Adjustment Payments at the rate of 1.25% per annum and payable on the same basis as the Contract Adjustment Payments, compounded on each succeeding Payment Date until paid in full, provided that, except as otherwise expressly provided in the first sentence of the preceding paragraph, in the case of any Security with respect to which Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date, the Holder will have no right to receive any accrued or deferred Contract Adjustment Payments.

(c) Nothing contained in this Section 5.11 or elsewhere in this Agreement or in the Securities is intended to or shall impair, as among the Company, its creditors and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders such Contract Adjustment Payments on the Securities as and when the same shall become due and payable in accordance with their terms, nor shall anything herein or therein prevent the Purchase Contract Agent or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Agreement.

#### ARTICLE VI. REMEDIES

Section 6.1. Unconditional Right of Holders to Receive Contract Adjustment Payments and to Purchase Common Stock. The Holder of any Unit shall have the right, which is absolute and unconditional, (i) (subject to the payment by such Holder of Contract Adjustment Payments pursuant to Section 5.7(a)), to receive each Contract Adjustment Payment with respect to the Purchase Contract constituting a part of such Security on the respective Payment Date for such Security and (ii) to purchase Common Stock pursuant to the Purchase Contract constituting a part of such Unit and to institute suit for the enforcement of any such Contract Adjustment Payment and right to purchase Common Stock, and such rights shall not be impaired without the consent of such Holder.

Section 6.2. Restoration of Rights and Remedies. If any Holder has instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and such Holder shall be restored severally and respectively to their former positions

hereunder and thereafter all rights and remedies of such Holder shall continue as though no such proceeding had been instituted.

Section 6.3. Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates in the last paragraph of Section 3.10, no right or remedy herein conferred upon or reserved 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 6.4. Delay or Omission Not Waiver. No delay or omission of any Holder to exercise any right or remedy upon a default shall impair any such right or remedy or constitute a waiver of any such right. Every right and remedy given by this Article or by law to the Holders may be exercised from time to time, and as often as may be deemed expedient, by such Holders.

Section 6.5. Undertaking for Costs. All parties to this Agreement agree, and each Holder of a Unit, by its acceptance of such Unit 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 Agreement, or in any suit against the Purchase Contract Agent for any action taken, suffered or omitted by it as Purchase Contract Agent, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Purchase Contract Agent, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of distributions on any Trust Preferred Securities or Contract Adjustment Payments on any Purchase Contract on or after the respective Payment Date therefor in respect of any Unit held by such Holder, or for enforcement of the right to purchase shares of Common Stock under the Purchase Contract constituting part of any Unit held by such Holder.

Section 6.6. Waiver of Stay or Extension Laws. The Company 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, which may affect the covenants or the performance of this Agreement; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII. THE PURCHASE CONTRACT AGENT

Section 7.1. Certain Duties and Responsibilities. (a)(1) The Purchase Contract Agent undertakes to perform, with respect to the Units and Separate Trust Preferred Securities, such duties and only such duties as are specifically set forth in this Agreement and the Pledge Agreement, and no implied covenants or obligations shall be read into this Agreement against the Purchase Contract Agent; and

(2) in the absence of bad faith, willful misconduct or negligence on its part, the Purchase Contract Agent may, with respect to the Units and Separate Trust Preferred Securities, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Purchase Contract Agent and conforming to the requirements of this Agreement, but in the case of any certificates or opinions which by any provision hereof are specifically required to be furnished to the Purchase Contract Agent, the Purchase Contract Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Purchase Contract Agent from liability for its own negligent action, its own negligent failure to act, its own bad faith, or its own willful misconduct, except that:

(1) this paragraph shall not be construed to limit the effect of paragraph (a) of this Section;

(2) the Purchase Contract Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Purchase Contract Agent was negligent in ascertaining the pertinent facts; and

(3) no provision of this Agreement shall require the Purchase Contract Agent 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 adequate indemnity is not provided to it.

(c) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Purchase Contract Agent shall be subject to the provisions of this Section.

(d) The Purchase Contract Agent is authorized to execute and deliver the Pledge Agreement in its capacity as Purchase Contract Agent.

Section 7.2. Notice of Default. Within 30 days after the occurrence of any default by the Company hereunder of which a Responsible Officer of the Purchase Contract Agent has actual knowledge, the Purchase Contract Agent shall transmit by mail to the Company

and the Holders of Units, as their names and addresses appear in the Register, notice of such default hereunder, unless such default shall have been cured or waived.

Section 7.3. Certain Rights of Purchase Contract Agent . Subject to the provisions of Section 7.1:

(a) the Purchase Contract Agent may, in absence of bad faith, 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, bond, debenture, note, other evidence of indebtedness or other paper or document 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 Company mentioned herein shall be sufficiently evidenced by an Officer's Certificate, Issuer Order or Issuer Request, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution;

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

(d) the Purchase Contract Agent 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 it hereunder in good faith and in reliance thereon;

(e) the Purchase Contract Agent 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 Purchase Contract Agent, in its discretion, may make reasonable further inquiry or investigation into such facts or matters related to the execution, delivery and performance of the Purchase Contracts as it may see fit, and, if the Purchase Contract Agent shall determine to make such further inquiry or investigation, it shall be given a reasonable opportunity to examine the books, records and premises of the Company, personally or by agent or attorney;

(f) the Purchase Contract Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or an Affiliate of the Purchase Contract Agent and the Purchase Contract Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney or an Affiliate appointed with due care by it hereunder.



(g) the Purchase Contract Agent shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement;

(h) the Purchase Contract Agent shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Purchase Contract Agent 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 Purchase Contract Agent, and such notice references the Securities and this Agreement;

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

(j) the Purchase Contract Agent 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 Agreement, 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 7.4. Not Responsible for Recitals or Issuance of Units. The recitals contained herein and in the Certificates shall be taken as the statements of the Company and the Purchase Contract Agent assumes no responsibility for their accuracy. The Purchase Contract Agent makes no representations as to the validity or sufficiency of either this Agreement or of the Units, or of the Pledge Agreement or the Pledge. The Purchase Contract Agent shall not be accountable for the use or application by the Company of the proceeds in respect of the Purchase Contracts.

Section 7.5. May Hold Units. Any Registrar or any other agent of the Company, or the Purchase Contract Agent and its Affiliates, in their individual or any other capacity, may become the owner or pledgee of Units and may otherwise deal with the Company, the Collateral Agent or any other Person with the same rights it would have if it were not Registrar or such other agent, or the Purchase Contract Agent.

Section 7.6. Money Held in Custody. Money held by the Purchase Contract Agent in custody hereunder need not be segregated from the Purchase Contract Agent's other funds except to the extent required by law or provided herein. The Purchase Contract Agent shall be under no obligation to invest or pay interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

Section 7.7. Compensation and Reimbursement. The Company agrees:

(1) to pay to the Purchase Contract Agent from time to time such compensation for all services rendered by it hereunder as shall from time to time be agreed upon by the Company and the Purchase Contract Agent.

(2) except as otherwise expressly provided herein, to reimburse the Purchase Contract Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Purchase Contract Agent in accordance with any provision of this Agreement (including the reasonable compensation and the reasonable expenses and disbursements of its Purchase Contract Agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct or bad faith; and

(3) to indemnify the Purchase Contract Agent and any predecessor Purchase Contract Agent for, and to hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its duties hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Company, or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The provisions of this Section 7.7 shall survive the termination of this Agreement and the resignation or removal of the Purchaser Contract Agent.

Section 7.8. Corporate Agent Required; Eligibility. There shall at all times be an Purchase Contract Agent hereunder which shall be a corporation organized and oing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having (or being a member of a bank holding company having) a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or state authority and having a Corporate Trust Office in the Borough of Manhattan, The City of New York, if there be such a corporation, qualified and eligible under this Article and willing to act on reasonable terms. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Purchase Contract Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 7.9. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Purchase Contract Agent and no appointment of a successor Purchase Contract Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Purchase Contract Agent in accordance with the applicable requirements of Section 7.10.

(b) The Purchase Contract Agent may resign at any time by giving written notice thereof to the Company 60 days prior to the effective date of such resignation. If the instrument of acceptance by a successor Purchase Contract Agent required by Section 7.10 shall not have been delivered to the Purchase Contract Agent within 30 days after the giving of such notice of resignation, the resigning Purchase Contract Agent may petition any court of competent jurisdiction for the appointment of a successor Purchase Contract Agent.

(c) The Purchase Contract Agent may be removed at any time by Act of the Holders of a majority in number of the Outstanding Securities delivered to the Purchase Contract Agent and the Company.

(d) If at any time

(1) the Purchase Contract Agent fails to comply with Section 310(b) of the TIA, as if the Purchase Contract Agent were an indenture trustee under an indenture qualified under the TIA, after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Unit for at least six months, or

(2) the Purchase Contract Agent shall cease to be eligible under Section 7.8 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Purchase Contract Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Purchase Contract Agent or of its property shall be appointed or any public officer shall take charge or control of the Purchase Contract Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (x) the Company by a Board Resolution may remove the Purchase Contract Agent, or (y) any Holder who has been a bona fide Holder of a Unit for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Purchase Contract Agent and the appointment of a successor Purchase Contract Agent.

(e) If the Purchase Contract Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Purchase Contract Agent for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Purchase Contract Agent and shall comply with the applicable requirements of Section 7.10. If no successor Purchase Contract Agent shall have been so appointed by the Company and accepted appointment in the manner required by Section 7.10, any Holder who has been a bona fide Holder of a Unit for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Purchase Contract Agent.

(f) The Company shall give, or shall cause such successor Purchase Contract Agent to give, notice of each resignation and each removal of the Purchase Contract Agent and each appointment of a successor Purchase Contract Agent by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the applicable Register. Each notice shall include the name of the successor Purchase Contract Agent and the address of its Corporate Trust Office.

(g) If an instrument of acceptance by a successor Purchase Contract Agent shall not have been delivered to the Purchase Contract Agent within 30 days after the giving of such notice of removal, the Trustee being removed may petition any court of competent jurisdiction for the appointment of a successor Purchase Contract Agent with respect to the Securities.

Section 7.10. Acceptance of Appointment by Successor. (a) In case of the appointment hereunder of a successor Purchase Contract Agent, every such successor Purchase Contract Agent so appointed shall execute, acknowledge and deliver to the Company and to the retiring Purchase Contract Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Purchase Contract Agent shall become effective and such successor Purchase Contract Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, agencies and duties of the retiring Purchase Contract Agent; but, on the request of the Company or the successor Purchase Contract Agent, such retiring Purchase Contract Agent shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Purchase Contract Agent all the rights, powers and trusts of the retiring Purchase Contract Agent and shall duly assign, transfer and deliver to such successor Purchase Contract Agent all property and money held by such retiring Purchase Contract Agent hereunder.

(b) Upon request of any such successor Purchase Contract Agent, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Purchase Contract Agent all such rights, powers and agencies referred to in paragraph (a) of this Section.

(c) No successor Purchase Contract Agent shall accept its appointment unless at the time of such acceptance such successor Purchase Contract Agent shall be qualified and eligible under this Article.

Section 7.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Purchase Contract Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Purchase Contract Agent shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Purchase Contract Agent, shall be the successor of the Purchase Contract Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Certificates shall have been authenticated and executed on behalf of the Holders, but not delivered, by the Purchase Contract

Agent then in office, any successor by merger, conversion or consolidation to such Purchase Contract Agent shall adopt such authentication and execution and deliver the Certificates so authenticated and executed with the same effect as if such successor Purchase Contract Agent had itself authenticated and executed such Units.

Section 7.12. Preservation of Information; Communications to Holders.

(a) The Purchase Contract Agent shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Purchase Contract Agent in its capacity as Registrar.

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Purchase Contract Agent, and furnish to the Purchase Contract Agent reasonable proof that each such applicant has owned a Unit for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Agreement or under the Units and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Purchase Contract Agent shall mail to all the Holders copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Purchase Contract Agent of the materials to be mailed and of payment, or provision, in the absence of bad faith, satisfactory to the Purchase Contract Agent for the payment, of the reasonable expenses of such mailing.

Section 7.13. No Obligations of Purchase Contract Agent. Except to the extent otherwise provided in this Agreement, the Purchase Contract Agent assumes no obligation and shall not be subject to any liability under this Agreement, the Pledge Agreement or any Purchase Contract in respect of the obligations of the Holder of any Unit thereunder. The Company agrees, and each Holder of a Certificate, by such Holder's acceptance thereof, shall be deemed to have agreed, that the Purchase Contract Agent's execution of the Certificates on behalf of the Holders shall be solely as agent and attorney-in-fact for the Holders, and that the Purchase Contract Agent shall have no obligation to perform such Purchase Contracts on behalf of the Holders, except to the extent expressly provided in Article Five.

Section 7.14. Tax Compliance. (a) The Purchase Contract Agent, on its own behalf and on behalf of the Company, will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or administrative practice with respect to (i) any payments made with respect to the Units or (ii) the issuance, delivery, holding, transfer, redemption or exercise of rights under the Units. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated Purchase Contract Agent.

(b) The Purchase Contract Agent shall comply with any reasonable written direction timely received from the Company with respect to the application of such requirements to particular payments or Holders or in other particular circumstances, and may for purposes of this Agreement rely on any such direction in accordance with the provisions of Section 7.1(a)(2).

(c) The Purchase Contract Agent shall maintain all appropriate records documenting compliance with such requirements, and shall make such records available, on written request, to the Company or its authorized representative within a reasonable period of time after receipt of such request.

#### ARTICLE VIII. SUPPLEMENTAL AGREEMENTS

Section 8.1. Supplemental Agreements Without Consent of Holders. Without the consent of any Holders, the Company and the Purchase Contract Agent, at any time and from time to time, may enter into one or more agreements supplemental hereto, in form satisfactory to the Company and the Purchase Contract Agent, for any of the following purposes:

(1) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Certificates; or

(2) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company; or

(3) to evidence and provide for the acceptance of appointment hereunder by a successor Purchase Contract Agent; or

(4) to make provision with respect to the rights of Holders pursuant to the requirements of Section 5.4(b) or 5.8; or

(5) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

Section 8.2. Supplemental Agreements with Consent of Holders. With the consent of the Holders of not less than a majority of the outstanding Purchase Contracts voting together as one class, by Act of said Holders delivered to the Company and the Purchase Contract Agent, the Company, when authorized by a Board Resolution, and the Purchase Contract Agent may enter into an agreement or agreements supplemental hereto for the purpose of modifying in any manner the terms of the Purchase Contracts, or the provisions of this Agreement or the rights of the Holders in respect of the Units; provided, that, except as contemplated herein, no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change any Payment Date;

(2) change the amount or the type of Collateral required to be Pledged to secure a Holder's Obligations under the Purchase Contract, impair the right of the Holder of any Purchase Contract to receive distributions on the related Collateral or otherwise adversely affect the Holder's rights in or to such Collateral or materially adversely alter the rights in or to such Collateral;

(3) reduce Contract Adjustment Payments or change any place where, or the coin or currency in which, Contract Adjustment Payments are payable;

(4) impair the right to institute suit for the enforcement of any Purchase Contract;

(5) reduce the number of shares of Common Stock to be purchased pursuant to any Purchase Contract, increase the price to purchase shares of Common Stock upon settlement of any Purchase Contract, change the Stock Purchase Date or otherwise materially adversely affect the Holder's rights under any Purchase Contract;

(6) reduce the percentage of the outstanding Purchase Contracts the consent of whose Holders is required for the modification or amendment of the provisions of the Agreement, the Pledge Agreement or the Purchase Contracts; or

(7) change the place or currency of payment for any amounts payable in respect of the Units, increase any amounts payable by holders in respect of the Units or decrease any other amounts receivable by holders in respect of the Units.

provided that if any amendment or proposal referred to above would adversely affect only the Normal Units or the Stripped Units, then only the affected class of Holder as of the record date for the Holders entitled to vote thereon will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the consent of Holders of not less than a majority of such class.

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

Section 8.3. Execution of Supplemental Agreements. In executing, or accepting the additional agencies created by, any supplemental agreement permitted by this Article or the modifications thereby of the agencies created by this Agreement or the Officers' Certificate, the Purchase Contract Agent shall be provided and (subject to Section 7.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement. The Purchase Contract Agent may, but shall not be obligated to, enter into any such supplemental agreement which affects the Purchase Contract Agent's own rights, duties or immunities under this Agreement or otherwise.

Section 8.4. Effect of Supplemental Agreements. Upon the execution of any supplemental agreement under this Article, this Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered hereunder shall be bound thereby.

Section 8.5. Reference to Supplemental Agreements. Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any supplemental agreement pursuant to this Article may, and shall if required by the Purchase Contract Agent, bear a notation in form approved by the Purchase Contract Agent as to any matter provided for in such supplemental agreement. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Purchase Contract Agent and the Company, to any such supplemental agreement may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent in exchange for Outstanding Certificates.

#### ARTICLE IX. CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 9.1. Covenant Not to Merge, Consolidate, Sell or Convey Property Except Under Certain Conditions. The Company covenants that it will not (a) merge or consolidate with any other Person or (b) sell, assign, transfer, lease or convey all or substantially all of its properties and assets to any Person or group of affiliated Persons in one transaction or a series of related transactions other than, with respect to clause (b), a direct or indirect wholly-owned subsidiary of the Company, unless (i) either the Company shall be the continuing corporation, or the successor (if other than the Company) shall be a corporation organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such corporation shall expressly assume all the obligations of the Company under the Purchase Contracts, the Notes, the Trust Securities Guarantee, this Agreement, the Remarketing Agreement, and the Pledge Agreement by one or more supplemental agreements in form reasonably satisfactory to the Purchase Contract Agent and the Collateral Agent, executed and delivered to the Purchase Contract Agent and the Collateral Agent by such corporation, and (ii) the Company or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale, assignment, transfer, lease or conveyance, be in default in the performance of any covenant or condition hereunder, under any of this Agreement, the Pledge Agreement, the Purchase Contracts or the Units or the Remarketing Agreement.

Section 9.2. Rights and Duties of Successor Corporation. In case of any such consolidation, merger, sale, assignment, transfer, lease or conveyance and upon any such assumption by a successor corporation in accordance with Section 9.1, such successor corporation shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Certificates evidencing Units issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Purchase Contract Agent; and, upon the order of such



successor corporation, instead of the Company, and subject to all the terms, conditions and limitations in this Agreement prescribed, the Purchase Contract Agent shall authenticate and execute on behalf of the Holders and deliver any Certificates which previously shall have been signed and delivered by the officers of the Company to the Purchase Contract Agent for authentication and execution, and any Certificate evidencing Units which such successor corporation thereafter shall cause to be signed and delivered to the Purchase Contract Agent for that purpose. All the Certificates so issued shall in all respects have the same legal rank and benefit under this Agreement as the Certificates theretofore or thereafter issued in accordance with the terms of this Agreement as though all of such Certificates had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, assignment, transfer, lease or conveyance, such change in phraseology and form (but not in substance) may be made in the Certificates evidencing Units thereafter to be issued as may be appropriate.

Section 9.3. Opinion of Counsel Given to Purchase Contract Agent. The Purchase Contract Agent, subject to Sections 7.1 and 7.3, shall receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, assignment, transfer, lease or conveyance, and any such assumption, complies with the provisions of this Article and that all conditions precedent to the consummation of any such consolidation, merger, sale, assignment, transfer, lease or conveyance have been met.

#### ARTICLE X. COVENANTS

Section 10.1. Performance Under Purchase Contracts. The Company covenants and agrees for the benefit of the Holders from time to time of the Units that it will duly and punctually perform its obligations under the Purchase Contracts in accordance with the terms of the Purchase Contracts and this Agreement.

Section 10.2. Maintenance of Office or Agency. The Company will maintain in the Borough of Manhattan, The City of New York an office or agency where Certificates may be presented or surrendered for acquisition of shares of Common Stock upon settlement of the Purchase Contracts on any Settlement Date and for transfer of Collateral upon occurrence of a Termination Event, where Certificates may be surrendered for registration of transfer or exchange, for a Collateral Substitution or reestablishment of Normal Units and where notices and demands to or upon the Company in respect of the Units and this Agreement may be served. The Company will give prompt written notice to the Purchase Contract Agent 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 Purchase Contract Agent with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Purchase Contract Agent as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where Certificates 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 will give prompt written notice to the Purchase Contract Agent of any such designation or rescission and of any change in the location of any such other office or agency. The Company hereby designates as the place of payment for the Units the Corporate Trust Office and appoints the Purchase Contract Agent at its Corporate Trust Office as paying agent in such city.

Section 10.3. Company to Reserve Common Stock. The Company shall at all times prior to the Stock Purchase Date reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock the full number of shares of Common Stock issuable against tender of payment in respect of all Purchase Contracts constituting a part of the Units evidenced by Outstanding Certificates.

Section 10.4. Covenants as to Common Stock. The Company covenants that all shares of Common Stock which may be issued against tender of payment in respect of any Purchase Contract constituting a part of the Outstanding Securities will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable.

Section 10.5. Statements of Officer of the Company as to Default. The Company will deliver to the Purchase Contract Agent, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officer's Certificate, one of the signers of which shall be the principal financial, principal accounting or principal executive officer of the Company stating whether or not to the best knowledge of the signer thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions hereof, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which such Officer may have knowledge.

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

RAYTHEON COMPANY

By:/s/ Richard A. Goglia  
Name: Richard A. Goglia  
Title:Vice-President and Treasurer

THE BANK OF NEW YORK,  
as Purchase Contract Agent

By:/s/ Kisha A. Holder  
Name: Kisha A. Holder  
Title: Assistant Treasurer

EXHIBIT A

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its Purchase Contract Agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

No.  
Number of Normal Units

CUSIP No.

Form of Face of Normal Units Certificate

This Normal Units Certificate certifies that Cede & Co. is the registered Holder of the number of Normal Units set forth above. Each Normal Unit represents (i) either (a) beneficial ownership by the Holder of one 7% Trust Preferred Security (the "Trust Preferred Security") of RC Trust I, a Delaware statutory business trust (the "Trust"), having a stated liquidation amount of \$50 per share, subject to the Pledge of such Trust Preferred Security by such Holder pursuant to the Pledge Agreement, (b) if the Trust Preferred Security has been remarketed by the Remarketing Agent (or if the Holder has elected not to have the Trust Preferred Security remarketed by delivering the appropriate Treasury Consideration specified by the Remarketing Agent), the appropriate Treasury Consideration, subject to the Pledge of such Treasury Consideration by such Holder pursuant to the Pledge Agreement or (c) upon the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the appropriate Applicable Ownership Interest of the Treasury Portfolio, subject to the Pledge of such Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio by such Holder pursuant to the Pledge Agreement, and, and (ii) the rights and obligations of the Holder under one Purchase Contract with Raytheon Company, a Delaware corporation (the "Company"). All capitalized terms used herein which are defined in the Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Trust Preferred Security or the appropriate Treasury Consideration, as the case may be, constituting part of each Normal Unit evidenced hereby has been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a part of such Normal Unit.

The Pledge Agreement provides that all payments in respect of the Pledged Trust Preferred Securities or Pledged Treasury Consideration received by the Collateral Agent shall be paid by the Collateral Agent by wire transfer in same day funds (i) in the case of (A) quarterly cash distributions on Normal Units which include Pledged Trust Preferred Securities or Pledged Treasury Consideration and (B) any payments of the Trust Preferred Securities or Treasury Consideration, as the case may be, that have been released from the Pledge pursuant to the Pledge Agreement, to the Purchase Contract Agent to the account designated by the Purchase Contract Agent, no later than 10:00 a.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 9:00 a.m., New York City time, on a Business Day, then such payment shall be made no later than 9:30 a.m., New York City time, on the next succeeding Business Day) and (ii) in the case of payments in respect of any Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, to the Company on the Stock Purchase Date (as defined herein) in accordance with the terms of the Pledge Agreement, in full satisfaction of the respective obligations of the Holders of the Normal Units of which such Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, are a part under the Purchase Contracts forming a part of such Normal Units. Quarterly distributions on Normal Units which include Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, which are payable quarterly in arrears on February 15, May 15, August 15 and November 15 each year, commencing August 15, 2001 (each a "Payment Date"), shall, subject to receipt thereof by the Purchase Contract Agent from the Collateral Agent, be paid to the Person in whose name this Normal Units Certificate (or a Predecessor Normal Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Each Purchase Contract evidenced hereby obligates the Holder of this Normal Units Certificate to purchase, and the Company to sell, on May 15, 2004 (the "Stock Purchase Date"), at a price equal to \$50 (the "Stated Amount"), a number of shares of Common Stock of the Company, equal to the Settlement Rate, unless on or prior to the Stock Purchase Date there shall have occurred a Termination Event or an Early Settlement or Merger Early Settlement with respect to the Normal Units of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described on the reverse hereof. The Purchase Price (as defined herein) for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Stock Purchase Date by application of payments received in respect of the Pledged Trust Preferred Securities or the Pledged Treasury Consideration, as the case may be, pledged to secure the obligations of the Holder under such Purchase Contract.

The Company shall pay, on each Payment Date, the Contract Adjustment Payments (as defined below) payable in respect of each Purchase Contract to the Person in whose name the Normal Units Certificate evidencing such Purchase Contract is registered at the close of business on the Record Date for such Payment Date. Contract Adjustment Payments and distributions on the Trust Preferred Securities or payments on the appropriate Treasury Consideration (as specified in clause (i) of the definition of the Remarketing Value), as the case may be, will be payable at the office of the Purchase Contract Agent in The City of New York or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Normal Units Register or by wire transfer to an account specified by the Company. Notwithstanding the foregoing, the Company may at its discretion defer the Contract Adjustment Payments, but not beyond the Stock Purchase Date. The Company will pay additional Contract Adjustment Payments on installments of Contract Adjustment Payments so deferred at a rate of 1.25% per year until paid, unless the Purchase Contract has been earlier settled or terminated.

Reference is hereby made to the further provisions set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Purchase Contract Agent by manual signature, this Normal Units Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

RAYTHEON COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: THE BANK OF NEW YORK, not  
individually but solely as  
Attorney-in-Fact of such Holder

By: \_\_\_\_\_  
Name:  
Title:

Dated:

PURCHASE CONTRACT AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Normal Units Certificates referred to in the within mentioned Purchase Contract Agreement.

THE BANK OF NEW YORK,  
as Purchase Contract Agent

By: \_\_\_\_\_  
Authorized Signatory



(Form of Reverse of Normal Units Certificate)

Each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of May 9, 2001 (as may be supplemented from time to time, the "Purchase Contract Agreement"), between the Company and Bank One Trust Company, N.A., as Purchase Contract Agent (including its successors thereunder, herein called the "Purchase Contract Agent"), to which Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Purchase Contract Agent, the Company, and the Holders and of the terms upon which the Normal Units Certificates are, and are to be, executed and delivered.

Each Purchase Contract evidenced hereby obligates the Holder of this Normal Units Certificate to purchase, and the Company to sell, on the Stock Purchase Date at a price equal to \$50 (the "Purchase Price"), a number of shares of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Stock Purchase Date, there shall have occurred a Termination Event or an Early Settlement or Merger Early Settlement with respect to the Unit of which such Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$33.55 (the "Threshold Appreciation Price"), 1.4903 shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$27.50 the number of shares of Common Stock per Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$27.50, 1.8182 shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in the Purchase Contract Agreement. No fractional shares of Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

The "Applicable Market Value" means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Stock Purchase Date.

The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, as reported by The Nasdaq Stock Market, or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional

securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Each Purchase Contract evidenced hereby may be settled prior to the Stock Purchase Date through Early Settlement or Merger Early Settlement, in accordance with the terms of the Purchase Contract Agreement.

In accordance with the terms of the Purchase Contract Agreement, the Holder of this Normal Units Certificate shall pay the Purchase Price for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby (i) by effecting an Early Settlement or Merger Early Settlement, (ii) by application of payments received in respect of the Pledged Treasury Consideration acquired from the proceeds of a remarketing of the related Pledged Trust Preferred Securities underlying the Normal Units represented by this Normal Units Certificate or (iii) if the Holder has elected not to participate in the remarketing, by application of payments received in respect of the Pledged Treasury Consideration deposited by such Holder in respect of such Purchase Contract. If, as provided in the Purchase Contract Agreement, upon the occurrence of a Failed Remarketing the Collateral Agent, for the benefit of the Company, exercises its rights as a secured creditor with respect to the Pledged Trust Preferred Securities related to this Normal Units Certificate, any accumulated and unpaid distributions on such Pledged Trust Preferred Securities will become payable by the Company to the Holder of this Normal Units Certificate in the manner provided for in the Purchase Contract Agreement.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner herein set forth.

The Company shall pay on each Payment Date, commencing August 15, 2001, in respect of each Purchase Contract forming part of a Normal Unit evidenced hereby, an amount (the "Contract Adjustment Payments") equal to 1.25% per annum of the Stated Amount computed on the basis of (i) for any full quarterly period, a 360-day year of twelve 30-day months, (ii) for any period shorter than a full quarterly period, a 30-day month and (iii) for periods less than a month, the actual number of days elapsed per 30-day period. Such Contract Adjustment Payments shall be payable to the Person in whose name this Normal Unit Certificate (or a Predecessor Normal Unit Certificate) is registered at the close of business on the Record Date for such Payment Date.

Under the terms of the Pledge Agreement, the Purchase Contract Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Pledged Trust Preferred Securities. Upon receipt of notice of any meeting at which holders of Trust Preferred Securities are entitled to vote or upon the solicitation of consents, waivers or proxies of holders of Trust Preferred Securities, the Purchase Contract Agent shall, as soon as practicable thereafter, mail to the Holders of Normal Units a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each such Holder on the record date set by the Purchase Contract Agent therefor (which, to the extent possible, shall be the same date as the record date

for determining the holders of Trust Preferred Securities entitled to vote) shall be entitled to instruct the Purchase Contract Agent as to the exercise of the voting rights pertaining to the Pledged Trust Preferred Securities constituting a part of such Holder's Normal Units and (c) stating the manner in which such instructions may be given. Upon the written request of the Holders of Normal Units on such record date, the Purchase Contract Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Pledged Trust Preferred Securities as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of a Normal Unit, the Purchase Contract Agent shall abstain from voting the Pledged Trust Preferred Security evidenced by such Normal Unit.

Upon a voluntary or involuntary dissolution of the Trust, a principal amount of the Notes constituting the assets of the Trust and underlying the Pledged Trust Preferred Securities equal to the aggregate Stated Amount of the Pledged Trust Preferred Securities shall be delivered to the Collateral Agent in exchange for Pledged Trust Preferred Securities. Thereafter, the Notes shall be held by the Collateral Agent to secure the obligations of each Holder of Normal Units to purchase shares of Common Stock under the Purchase Contracts constituting a part of such Normal Units. Following a voluntary or involuntary dissolution of the Trust, the Holders and the Collateral Agent shall have such security interests, rights and obligations with respect to the Notes as the Holders and the Collateral Agent had in respect of the Pledged Trust Preferred Securities, and any reference in the Purchase Contract Agreement or Pledge Agreement to the Trust Preferred Securities or Pledged Trust Preferred Securities shall be deemed to be a reference to the Notes.

Upon the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the Redemption Price payable on the Tax Event Redemption Date with respect to the Applicable Principal Amount of Trust Preferred Securities shall be delivered to the Securities Intermediary in exchange for the Pledged Trust Preferred Securities. Thereafter, pursuant to the terms of the Pledge Agreement, the Securities Intermediary will apply an amount equal to the Redemption Amount of such Redemption Price to purchase, the Treasury Portfolio and promptly (a) transfer the Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio to the Collateral Account to secure the obligations of each Holder of Normal Units to purchase shares of Common Stock under the Purchase Contracts constituting a part of such Normal Units, (b) transfer the Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio to the Agent for the benefit of the Holders of such Normal Units and (c) remit the remaining portion of such Redemption Price to the Agent for payment to the Holders of such Normal Units.

Following the occurrence of a Tax Event Redemption prior to the Stock Purchase Date, the Holders of Normal Units and the Collateral Agent shall have such security interest rights and obligations with respect to the Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio as the Holder of Normal Units and the Collateral Agent had in respect of the Trust Preferred Securities, subject to the Pledge thereof as provided in the Pledge Agreement and any reference herein to the Trust Preferred Securities shall be deemed to be a reference to such Treasury Portfolio.

The Normal Units Certificates are issuable only in registered form and only in denominations of a single Normal Unit and any integral multiple thereof. The transfer of any Normal Units Certificate will be registered and Normal Units Certificates may be exchanged as provided in the Purchase Contract Agreement. The Normal Units Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Purchase Contract Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. The Holder of a Normal Unit may substitute for the Pledged Trust Preferred Securities or Pledged Treasury Consideration securing its obligations under the related Purchase Contract Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. From and after such Collateral Substitution, the Unit for which such Pledged Treasury Securities secures the Holder's obligation under the Purchase Contract shall be referred to as a "Stripped Unit." A Holder that elects to substitute a Treasury Security for Pledged Trust Preferred Securities or Pledged Treasury Consideration, thereby creating Stripped Units, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Purchase Contract Agreement, for so long as the Purchase Contract underlying a Normal Unit remains in effect, such Normal Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Normal Units in respect of the Pledged Trust Preferred Security or Pledged Treasury Consideration, as the case may be, and Purchase Contract constituting such Normal Unit may be transferred and exchanged only as a Normal Unit.

A Holder of Stripped Units may reestablish Normal Units by delivering to the Collateral Agent Capital Securities or the appropriate Treasury Consideration in exchange for the release of the Pledged Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive, and the obligations of the Company to pay, Contract Adjustment Payments shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Purchase Contract Agent or the Company, if, on or prior to the Stock Purchase Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Purchase Contract Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Normal Units Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, from the Pledge in accordance with the provisions of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, at the option of the Holder thereof, Purchase Contracts underlying Securities may be settled early ("Early Settlement") as provided in the Purchase Contract Agreement; provided, however, that if a Tax Event Redemption has occurred and the Treasury Portfolio has become a

component of the Normal Units, Holders may settle early Normal Units only with respect to Purchase Contracts underlying Normal Units with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof. In order to exercise the right to effect Early Settlement with respect to any Purchase Contracts evidenced by this Normal Units Certificate, the Holder of this Normal Units Certificate shall deliver this Normal Units Certificate to the Agent at the Corporate Trust Office duly endorsed for transfer to the Company or in blank with the form of election to Settle Early set forth below duly completed and accompanied by payment in the form of immediately available funds payable to the order of the Company in an amount (the "Early Settlement Amount") equal to (i) the product of (A) the Stated Amount times (B) the number of Purchase Contracts with respect to which the Holder has elected to effect Early Settlement, plus (ii) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date for any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable on such Payment Date with respect to such Purchase Contracts. Upon Early Settlement of Purchase Contracts by a Holder of the related Securities, the Pledged Treasury Securities or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive a number of shares of Common Stock on account of each Purchase Contract forming part of a Normal Units as to which Early Settlement is effected equal to the Early Settlement Rate. The Early Settlement Rate shall initially be equal to 1.4903 shares of Common Stock and shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted as provided in the Purchase Contract Agreement.

Upon registration of transfer of this Normal Units Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Purchase Contract Agent pursuant to the Purchase Contract Agreement), under the terms of the Purchase Contract Agreement and the Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Purchase Contracts evidenced by this Normal Units Certificate. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Normal Units Certificate, by its acceptance hereof, authorizes the Purchase Contract Agent to enter into and perform the related Purchase Contracts forming part of the Normal Units evidenced hereby on his behalf as his attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmance) of the Purchase Contracts by the Company or its trustee in the event that the Company becomes the subject of a case under the Bankruptcy Code, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform such Holder's obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, authorizes the Purchase Contract Agent to enter into and perform the Pledge Agreement on such Holder's behalf as attorney-in-fact, and consents to the Pledge of the Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, underlying this Normal Units Certificate pursuant to the Pledge Agreement. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Purchase

Contract Agreement and the Pledge Agreement, but subject to the terms thereof, payments in respect of the Pledged Trust Preferred Securities or the Pledged Treasury Consideration, as the case may be, to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, shall be paid on the Stock Purchase Date by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments.

Each Holder of any Unit, and each Beneficial Owner thereof, by its acceptance thereof or of its interest therein, further agrees to treat (i) itself as the owner of the related Trust Preferred Securities, or Treasury Consideration, as the case may be, and (ii) the Notes as indebtedness of the Company, in each case, for United States federal, state and local income and franchise tax purposes.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts.

The Purchase Contracts shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.

The Company, the Purchase Contract Agent and its Affiliates and any agent of the Company or the Purchase Contract Agent may treat the Person in whose name this Normal Units Certificate is registered as the owner of the Normal Units evidenced hereby for the purpose of receiving payments of distributions payable quarterly on the Trust Preferred Securities or the Treasury Consideration, as the case may be, performance of the Purchase Contracts (including the Contract Adjustment Payments) and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Purchase Contract Agent, such Affiliates nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Purchase Contract Agent.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common
UNIF GIFT MIN ACT -	Custodian
	_____
	(cust) _____ (minor)
	Under Uniform Gifts to Minors Act
	_____
TEN ENT -	as tenants by the entireties _____ (State)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Please Print or Type Name and Address Including Postal Zip Code of Assignee) the within Normal Units Certificates and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Normal Units Certificates on the books of Raytheon Company with full power of substitution in the premises.

Dated:

\_\_\_\_\_  
Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Normal Units Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: \_\_\_\_\_



SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Stock Purchase Date of the Purchase Contracts underlying the number of Normal Units evidenced by this Normal Units Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: \_\_\_\_\_  
Signature \_\_\_\_\_  
Signature Guarantee: \_\_\_\_\_

(if assigned to another person)

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature::

REGISTERED HOLDER  
Please print name  
and address of Registered Holder

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other Taxpayer Identification Number, if any

ELECTION TO SETTLE EARLY

The undersigned Holder of this Normal Units Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Normal Units evidenced by this Normal Units Certificate specified below. The option to effect Early Settlement may be exercised only with respect to Purchase Contracts underlying Normal Units with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Normal Units Certificate representing any Normal Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: \_\_\_\_\_  
Signature

Signature Guarantee: \_\_\_\_\_

Number of Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

If shares of Common Stock or Normal Units Certificates are to be registered in the name of and delivered to, and Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, are to be transferred to, a Person other than the Holder, please print such Person's name and address:

REGISTERED HOLDER

Please print name and address of Registered Holder:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Social Security or other Taxpayer Identification Number, if any

\_\_\_\_\_  
Transfer instructions for Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be, transferable upon Early Settlement or a Termination Event:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

Date	Amount of decrease in Stated Amount of the Global Certificate	Amount of increase in Stated Amount of the Global Certificate	Stated Amount of the Global Certificate following such decrease of Increase	Signature of authorized officer of Purchase Contract Agent
-----	-----	-----	-----	-----

EXHIBIT B

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF A CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its Purchase Contract Agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

No. CUSIP No.  
Number of Stripped Units

Form of Face of Stripped Units Certificate

This Stripped Units Certificate certifies that Cede & Co. is the registered Holder of the number of Stripped Units set forth above. Each Stripped Unit represents (i) a 1/20 undivided beneficial ownership interest in a Treasury Security, subject to the Pledge of such interest in such Treasury Security by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Purchase Contract with Raytheon Company, a Delaware corporation (the "Company"). All capitalized terms used herein which are defined in the Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Treasury Security constituting part of each Stripped Unit evidenced hereby has been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a part of such Stripped Unit.

Each Purchase Contract evidenced hereby obligates the Holder of this Stripped Units Certificate to purchase, and the Company to sell, on May 15, 2004 (the "Stock Purchase Date"), at a price equal to \$50 (the "Stated Amount"), a number of shares of Common Stock of the Company, equal to the Settlement Rate, unless on or prior to the Stock Purchase Date there shall have occurred a Termination Event or an Early Settlement or Merger Early Settlement with

respect to the Stripped Units of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described on the reverse hereof. The Purchase Price (as defined herein) for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Stock Purchase Date by application of payments received in respect of the Pledged Treasury Securities pledged to secure the obligations under such Purchase Contract in accordance with the terms of the Pledge Agreement.

Reference is hereby made to the further provisions set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Purchase Contract Agent by manual signature, this Stripped Units Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

RAYTHEON COMPANY

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts)

By: THE BANK OF NEW YORK, not  
individually but solely as  
Attorney-in-Fact  
of such Holder

By: \_\_\_\_\_

Name:

Title:

Dated:

B-3

PURCHASE CONTRACT AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Stripped Units Certificates referred to in the within-mentioned Purchase Contract Agreement.

THE BANK OF NEW YORK,  
as Purchase Contract Agent

By: \_\_\_\_\_  
Authorized Signatory

B-4



(Reverse of Stripped Units Certificate)

Each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of May 9, 2001 (as may be supplemented from time to time, the "Purchase Contract Agreement"), between the Company and Bank One Trust Company, N.A., as Purchase Contract Agent (including its successors thereunder, herein called the "Purchase Contract Agent"), to which the Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Purchase Contract Agent, the Company and the Holders and of the terms upon which the Stripped Units Certificates are, and are to be, executed and delivered.

Each Purchase Contract evidenced hereby obligates the Holder of this Stripped Units Certificate to purchase, and the Company to sell, on the Stock Purchase Date at a price equal to the Stated Amount (the "Purchase Price"), a number of shares of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Stock Purchase Date, there shall have occurred a Termination Event or an Early Settlement or Merger Early Settlement with respect to the Unit of which such Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$33.55 (the "Threshold Appreciation Price"), 1.4903 shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$27.50, the number of shares of Common Stock per Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$27.50, 1.8182 shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in the Purchase Contract Agreement. No fractional shares of Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

The "Applicable Market Value" means the average of the Closing Prices per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Stock Purchase Date.

The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, as reported by The Nasdaq Stock Market, or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Each Purchase Contract evidenced hereby may be settled prior to the Stock Purchase Date through Early Settlement or Merger Early Settlement, in accordance with the terms of the Purchase Contract Agreement.

In accordance with the terms of the Purchase Contract Agreement, the Holder of this Stripped Units Certificate shall pay the Purchase Price for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby (i) by effecting an Early Settlement or Merger Early Settlement or (ii) by application of payments received in respect of the Pledged Treasury Securities underlying the Stripped Units represented by this Stripped Units Certificate.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner herein set forth.

The Company shall pay on February 15, May 15, August 15 and November 15 of each year (each, a "Payment Date"), commencing February 15, 2001, in respect of each Purchase Contract evidenced hereby, an amount (the "Contract Adjustment Payments") equal to 1.25% per annum of the Stated Amount computed on the basis of (i) for any full quarterly period, a 360-day year of twelve 30-day months, (ii) for any period shorter than a full quarterly period, a 30-day month and (iii) for periods less than a month, the actual number of days elapsed per 30-day period). Such Contract Adjustment Payments shall be payable to the Person in whose name this Stripped Units Certificate (or a Predecessor Stripped Units Certificate) is registered at the close of business on the Record Date for such Payment Date. Notwithstanding the foregoing, the Company may at its discretion defer the Contract Adjustment Payments, but not beyond the Stock Purchase Date. The Company will pay additional Contract Adjustment Payments on installments of Contract Adjustment Payments so deferred at a rate of 1.25% per year until paid, unless the Purchase Contract has been earlier settled or terminated.

The Stripped Units Certificates are issuable only in registered form and only in denominations of a single Stripped Unit and any integral multiple thereof. The transfer of any Stripped Units Certificate will be registered and Stripped Units Certificates may be exchanged as provided in the Purchase Contract Agreement. The Stripped Units Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Purchase Contract Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in

connection therewith. The Holder of a Stripped Unit may substitute for the Pledged Treasury Securities securing its obligations under the related Purchase Contract Trust Preferred Securities or the appropriate Treasury Consideration in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. From and after such substitution, the Unit for which such Pledged Trust Preferred Securities or Pledged Treasury Consideration secures the Holder's obligation under the Purchase Contract shall be referred to as a "Normal Unit." A Holder that elects to substitute Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be, for Pledged Treasury Securities, thereby reestablishing Normal Units, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Purchase Contract Agreement, for so long as the Purchase Contract underlying a Stripped Unit remains in effect, such Stripped Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Stripped Unit in respect of the Pledged Treasury Security and the Purchase Contract constituting such Stripped Unit may be transferred and exchanged only as a Stripped Unit.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holder to receive, and the obligations of the Company to pay, Contract Adjustment Payments shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Purchase Contract Agent or the Company, if, on or prior to the Stock Purchase Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Purchase Contract Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Stripped Units Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Pledged Treasury Securities from the Pledge in accordance with the provisions of the Pledge Agreement.

Upon registration of transfer of this Stripped Units Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Purchase Contract Agent pursuant to the Purchase Contract Agreement), under the terms of the Purchase Contract Agreement and the Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Purchase Contracts evidenced by this Stripped Units Certificate. The Company covenants and agrees, and the Holder, by his acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Stripped Units Certificate, by his acceptance hereof, authorizes the Purchase Contract Agent to enter into and perform the related Purchase Contracts forming part of the Stripped Units evidenced hereby on his behalf as its attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmance) of the Purchase Contracts by the Company or its trustee in the event that the Company becomes the subject of a case under the Bankruptcy Code, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform such Holder's obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, authorizes the Purchase Contract Agent to enter into and perform the Pledge Agreement on such Holder's behalf as attorney-in-fact, and consents to the

Pledge of the Treasury Securities underlying this Stripped Units Certificate pursuant to the Pledge Agreement. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, payments in respect of the Pledged Treasury Securities, to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, shall be paid on the Stock Purchase Date by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments.

Each Holder of any Unit, and each Beneficial Owner thereof, by its acceptance thereof or of its interest therein, further agrees to treat (i) itself as the owner of the related Trust Preferred Securities, Treasury Consideration or Treasury Securities, as the case may be, and (ii) the Notes as indebtedness of the Company, in each case, for United States federal, state and local income and franchise tax purposes.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts.

The Purchase Contracts shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.

The Company, the Purchase Contract Agent and its Affiliates and any agent of the Company or the Purchase Contract Agent may treat the Person in whose name this Stripped Units Certificate is registered as the owner of the Stripped Units evidenced hereby for the purpose of performance of the Purchase Contracts (including the Contract Adjustment Payments) and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Purchase Contract Agent, such Affiliate, nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Purchase Contract Agent.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common
UNIF GIFT MIN ACT -	Custodian
	_____
	(cust) _____ (minor)
	Under Uniform Gifts to Minors Act
	_____
	(State)
TEN ENT -	as tenants by the entireties
JT TEN -	as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

\_\_\_\_\_

\_\_\_\_\_

(Please Print or Type Name and Address Including Postal Zip Code of Assignee) the within Stripped Units Certificates and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_

attorney to transfer said Stripped Units Certificates on the books of Raytheon Company with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Stripped Units Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: \_\_\_\_\_

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Stock Purchase Date of the Purchase Contracts underlying the number of Stripped Units evidenced by this Stripped Units Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: \_\_\_\_\_  
Signature \_\_\_\_\_  
Signature Guarantee: \_\_\_\_\_

If shares are to be registered in the name of and delivered to a Person other than the Holder, please

(i) print such Person's name and address and (ii) provide a guarantee of your signature:

REGISTERED HOLDER  
Please print name and address of Registered Holder:

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other Taxpayer Identification Number, if any

ELECTION TO SETTLE EARLY

The undersigned Holder of this Stripped Units Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Stripped Units evidenced by this Stripped Units Certificate specified below. The option to effect Early Settlement may be exercised only with respect to Purchase Contracts underlying Stripped Units with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Stripped Units Certificate representing any Stripped Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Treasury Securities deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: \_\_\_\_\_  
Signature

Signature Guarantee: \_\_\_\_\_



Number of Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

If shares of Common Stock or Stripped Units Certificates are to be registered in the name of and delivered to and Pledged Treasury Securities are to be transferred to a Person other than the Holder, please print such Person's name and address:

REGISTERED HOLDER

Please print name and address of Registered Holder:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Social Security or other Taxpayer Identification Number, if any

\_\_\_\_\_  
Transfer instructions for Pledged Treasury Securities transferable upon Early Settlement or a Termination Event:  
\_\_\_\_\_  
\_\_\_\_\_

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

Date	Amount of decrease in Amount of the Global Certificate	Amount of increase in Stated Amount of the Global Certificate	Stated Amount of the Global Certificate following such decrease of Increase	Signature of authorized officer of Purchase Contract Agent
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EXHIBIT C

INSTRUCTION FROM PURCHASE CONTRACT AGENT TO  
COLLATERAL PURCHASE AGENT

Bank One Trust Company, N.A.  
153 West 51st Street  
New York, NY 10019  
Attention: Corporate Trust Services Division

Re: 8.25% Equity Security Units of Raytheon Company (the  
"Company"), and RC Trust I

We hereby notify you in accordance with Section 4.1 of the Pledge Agreement, dated as of May 9, 2001, among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary, and ourselves, as Purchase Contract Agent and as attorney-in-fact for the holders of [Normal Units] [Stripped Units] from time to time, that the holder of securities listed below (the "Holder") has elected to substitute [\$ \_\_\_\_\_ aggregate principal amount of Treasury Securities (CUSIP No. \_\_\_\_\_)] [\$ \_\_\_\_\_ stated liquidation amount of Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be,] in exchange for the related [Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be (CUSIP No. \_\_\_\_\_),] [Pledged Treasury Securities] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has transferred [Treasury Securities] [Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be,] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be], and upon the payment by such Holder of any applicable fees, to release the [Trust Preferred Securities or Treasury Consideration, as the case may be,] [Treasury Securities] related to such [Normal Units] [Stripped Units] to us in accordance with the Holder's instructions.

Date: \_\_\_\_\_

THE BANK OF NEW YORK

By: \_\_\_\_\_  
Name:  
Title:

Please print name and address of Registered Holder electing to substitute [Treasury Securities] [Trust Preferred Securities or Pledged Treasury Consideration, as the case may be,] for the [Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be,] [Pledged Treasury Securities]:

\_\_\_\_\_

Name:

\_\_\_\_\_

Social Security or other Taxpayer Identification Number, if any

\_\_\_\_\_

Address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EXHIBIT D

INSTRUCTION TO PURCHASE CONTRACT AGENT

The Bank of New York  
101 Barclay Street, Floor 21W  
New York, New York 10286  
Attn: Corporate Trust Administration

Re: 8.25% Equity Security Units of Raytheon Company (the  
"Company"), and RC Trust I

The undersigned Holder hereby notifies you that it has delivered to Bank One Trust Company, N.A., as Collateral Agent, Custodial Agent and Securities Intermediary [\$\_\_\_\_\_ aggregate principal amount of Treasury Securities] [\$\_\_\_\_\_ stated liquidation amount of Trust Preferred Securities or the appropriate Treasury Consideration, as the case may be,] in exchange for the related [Pledged Trust Preferred Securities or Pledged Treasury Consideration as the case may be,] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section 4.1 of the Pledge Agreement, dated as of May 9, 2001, among you, the Company, the Collateral Agent, Custodial Agent and Securities Intermediary. The undersigned Holder has paid the Collateral Agent all applicable fees relating to such exchange. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Trust Preferred Securities or Pledged Treasury Consideration, as the case may be,] [Pledged Treasury Securities] related to such [Normal Units] [Stripped Units].

Date: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Signature Guarantee:

Dated:

Please print name and address of Registered Holder:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Social Security or other Taxpayer  
Identification Number, if any

\_\_\_\_\_  
Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT E  
FORM OF REMARKETING AGREEMENT  
[Attached]

E-1

May 9, 2001

To Each of the Persons Listed  
on Schedule A Hereto

Re: RC Trust I  
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Ladies and Gentlemen:

We have acted as special Delaware counsel for Raytheon Company, a Delaware corporation (the "Company"), and RC Trust I, a Delaware business trust (the "Trust"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you pursuant to Section 5(j) of the Underwriting Agreement (as defined in the Declaration).

We have examined an original or copy of the Amended and Restated Declaration of Trust of the Trust, dated as of May 9, 2001 (including Exhibits A and B thereto) (the "Declaration"), by and among the Company, The Bank of New York, a New York banking corporation, The Bank of New York (Delaware), a Delaware banking corporation ("BONY (DE)"), the regular trustees named therein (the "Regular Trustees"), and the holders, from time to time, of undivided beneficial ownership interests in the assets of the Trust.

We have also examined originals or copies of such other documents and such corporate records, certificates and other statements of governmental officials and corporate officers and other representatives of BONY (DE) as we have deemed necessary or appropriate for the purposes of this opinion. Moreover, as to certain facts material to the opinions expressed herein, we have relied upon the accuracy of representations and warranties contained in the Declaration.

To Each of the Persons Listed  
on Schedule A Hereto  
May 9, 2001  
Page 2

Based upon the foregoing and upon an examination of such questions of law as we have deemed necessary or appropriate, and subject to the assumptions, exceptions and qualifications set forth herein, we advise you that, in our opinion:

1. BONY (DE) has been duly incorporated and is validly existing as a banking corporation in good standing under the laws of the State of Delaware with all necessary corporate power and authority to execute and deliver, and to carry out and perform its obligations under, the terms of the Declaration.

2. The execution, delivery and performance by BONY (DE) of the Declaration have been duly authorized by all necessary corporate action on the part of BONY (DE). The Declaration constitutes the valid and binding agreement of BONY (DE), and is enforceable against BONY (DE), in accordance with its terms.

3. The execution, delivery and performance of the Declaration by BONY (DE) do not conflict with or constitute a breach of the charter or by-laws of BONY (DE).

4. No consent, approval or authorization of, or registration with or notice to, any Delaware or federal banking authority is required for the execution, delivery or performance by BONY (DE) of the Declaration.

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

A. We are admitted to practice law in the State of Delaware and we do not hold ourselves out as being experts on the law of any other jurisdiction. The foregoing opinions are limited to the laws of the State of Delaware and the federal laws of the United States of America governing the banking and trust powers of BONY (DE), except that we express no opinion with respect to (i) federal laws, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, as amended, and the Investment Company Act of 1940, as amended, (ii) state securities or blue sky laws or (iii) laws, rules and regulations



relating to the particular nature of the Trusts' assets.

B. We have assumed that all signatures on documents examined by us are genuine, that a documents submitted to us as originals are authentic, and that all documents submitted to us as copies or specimens conform with the originals, which facts we have not independently verified.

C. The opinion expressed in the second sentence of paragraph 2 above is subject, as to enforcement, to the effect upon the Declaration of (i) bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation, fraudulent transfer and conveyance and other similar laws relating to or affecting the rights and remedies of creditors generally, (ii) principles of equity, including applicable law relating to fiduciary duties (regardless of whether considered and applied in a proceeding in equity or at law), and (iii) the effect of applicable public policy on the enforceability of provisions relating to indemnification or contribution.

D. We have assumed the due authorization, execution and delivery by each of the parties thereto, other than BONY (DE) with respect to due authorization, of the Declaration and that each of such parties has the power and authority to execute, deliver and perform such documents.

E. We have not participated in the preparation of any offering materials with respect to the Preferred Securities (as defined in the Declaration), and we assume no responsibility for their contents.

This opinion may be relied upon by you in connection with the matters set forth herein. We also consent to The Bank of New York (Delaware)'s and The Bank of New York's relying upon this opinion in connection with the matters set forth herein. In addition, we consent to Emmet, Marvin & Martin, LLP's relying upon this opinion in connection with an opinion to be rendered by it on the date hereof. Without our prior written consent, this opinion may not be relied upon by or furnished to any other person or entity for any purpose.

Very truly yours,

/s/ Richards, Layton & Finger, P.A.

SCHEDULE A

Credit Suisse First Boston Corporation

Salomon Smith Barney Inc.

Banc of America Securities LLC

J.P. Morgan Securities Inc.

Morgan Stanley & Co. Incorporated

BNP Paribas Securities Corp.

Commerzbank Capital Markets Corp.

Credit Lyonnais Securities (USA) Inc.

First Union Securities, Inc.

Mellon Financial Markets, LLC

Robertson Stephens, Inc.

Scotia Capital (USA) Inc.

SG Cowen Securities Corporation

May 9, 2001

Raytheon Company  
-----  
RC Trust I  
-----  
Trust Preferred Securities  
-----  
Subordinated Notes  
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Raytheon Company  
141 Spring Street  
Lexington, MA 02421

Ladies and Gentlemen:

We have acted as tax counsel for Raytheon Company, a Delaware corporation (the "Company"), in connection with the Registration Statement filed on April 6, 2001, the Prospectus dated April 6, 2001, and the Prospectus Supplement dated May 3, 2001 (the "Offering Documents"), for the purpose of selling 17,250,000 (including exercise of the underwriters' over-allotment option) 8.25% Equity Security Units (the "Units"), each of which will initially consist of (i) a purchase contract under which the holder agrees to purchase, for \$50, shares of common stock of the Company on May 15, 2004 and (ii) a trust preferred security of RC Trust I (the "Trust"), with a stated liquidation amount of \$50 (a "Trust Preferred Security").

The Trust Preferred Securities represent undivided beneficial interests in the assets of the Trust. The Trust's assets will consist of up to \$889,175,300 (including exercise of the Underwriters' over-allotment option) aggregate principal amount of 7.00% Subordinated Notes due 2006 (the "Subordinated Notes") to be issued by the Company.

Raytheon Company  
May 9, 2001  
Page 2

In connection with this opinion, we have examined the Offering Documents, the Amended and Restated Declaration of Trust, the form of the Trust Preferred Securities, the form of the Common Securities of the Trust, the Guarantee Agreement, the Second Supplemental Indenture, the form of Subordinated Note, the Terms Agreement and such other documents and corporate records as we have deemed necessary or appropriate for purposes of our opinion.

In our examination, we have assumed that (i) the statements concerning the issuance of the Units and Subordinated Notes contained in the Offering Documents are true, correct and complete, (ii) the terms of the documents referred to in the preceding paragraph will be complied with, (iii) the factual representations made to us by the Company in its letter to us dated as of the date hereof and delivered to us for purposes of this opinion (the "Company Representation Letter") are true, correct and complete, (iv) the factual representations made to us by Credit Suisse First Boston in its letter to us dated as of the date hereof and delivered to us for purposes of this opinion (the "Underwriter Representation Letter") are true, correct and complete, (v) any factual representations made in the Offering Documents, the Company Representation Letter or the Underwriter Representation Letter "to the best knowledge of," in the "belief" of, or similarly qualified are true, correct and complete without such qualification and (vi) the Amended and Restated Declaration of Trust is valid and enforceable in accordance with its terms and the Trust will at all times comply with the Delaware Business Trust Act. If any of the above described assumptions are untrue for any reason or if the issuance of the Units and Subordinated Notes is consummated in a manner that is inconsistent with the manner in which it is described in the Offering Documents, our opinion as expressed below may be adversely affected and may not be relied upon.

Based solely upon the foregoing, we are of the opinion that under current United States federal income tax law:

- (1) The Trust will be classified for United States federal income tax

purposes as a grantor trust and will not be subject to tax as an association taxable as a corporation.

- (2) The Subordinated Notes will be classified for United States federal income tax purposes as indebtedness.

Our opinion is limited to the tax matters specifically covered hereby and does not address any other tax consequences relating to the Units or any other transactions. Our opinion is based upon current statutory, regulatory and judicial authority, any of which may be changed at any time with retroactive effect. Moreover, we note that there is no authority directly on point dealing with securities such as the Trust Preferred Securities or transactions of the type described herein and that our opinion is not binding on the Internal Revenue Service or the courts, either of which could take a contrary position. We disclaim any undertaking to advise you of any

subsequent changes of the matters stated, represented or assumed herein or any subsequent changes in applicable law, regulations or interpretations thereof.

We consent to the filing of this opinion as an exhibit to the Form 8-K to be filed with the Securities and Exchange Commission and to the reference to our firm name therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,  
Wachtell, Lipton, Rosen & Katz

dlp/des