

Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

QUARTER ENDED SEPTEMBER 29, 1995

Commission File No. 1-4850

COMPUTER SCIENCES CORPORATION

Incorporated in the State of Nevada

Employer Identification No. 95-2043126

2100 East Grand Avenue
El Segundo, California 90245

Telephone (310) 615-0311

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the

registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

55,641,567 shares of Common Stock, \$1.00 par value, were outstanding on September 29, 1995.

COMPUTER SCIENCES CORPORATION

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PART I, ITEM 1. FINANCIAL STATEMENTS
 COMPUTER SCIENCES CORPORATION
 CONSOLIDATED CONDENSED BALANCE SHEETS

ASSETS	(\$ in thousands)	
	Sep. 29, 1995 (unaudited)	Mar. 31, 1995
CURRENT ASSETS:		
Cash and cash equivalents	\$26,220	\$155,310
Receivables	923,391	824,963
Prepaid expenses and other current assets	118,569	101,232
	1,068,180	1,081,505
PROPERTY AND EQUIPMENT, at cost		
Less-Accumulated depreciation and amortization	1,027,877	905,469
	444,477	375,330
	583,400	530,139
EXCESS OF COST OF BUSINESSES ACQUIRED OVER RELATED NET ASSETS, NET		
	431,965	431,074
OTHER ASSETS	320,013	290,942
	\$2,403,558	\$2,333,660

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Short-term debt	\$73,535	\$126,317
Current maturities of long-term debt	10,906	11,111
Accounts payable	140,197	181,983
Accrued payroll and related costs	148,050	152,438
Other accrued expenses	233,160	227,852
Advance contract payments	28,247	30,329
Income taxes payable	33,471	47,882
	667,566	777,912
LONG-TERM DEBT, NET	421,492	310,317
OTHER LONG-TERM LIABILITIES	99,727	96,872
STOCKHOLDERS' EQUITY (Note A):		
Common stock issued, par value \$1.00 per share	55,928	55,386
Other stockholders' equity	1,158,845	1,093,173
	1,214,773	1,148,559
	\$2,403,558	\$2,333,660

See accompanying notes.

COMPUTER SCIENCES CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF INCOME (unaudited)
(\$ in thousands except earnings per share)

	Second Quarter Ended		Six Months Ended	
	Sep. 29, 1995	Sep. 30, 1994	Sep. 29, 1995	Sep. 30, 1994
Revenues	\$1,004,714	\$788,486	\$1,971,497	\$1,526,631
Costs of services	803,186	631,877	1,577,567	1,215,539
Selling, general and administrative	86,578	74,135	172,470	150,096
Depreciation and amortization	57,494	39,928	112,082	77,832
Interest expense	8,565	6,054	17,229	12,288
Interest income	(662)	(481)	(2,221)	(1,293)
Total costs and expenses	955,161	751,513	1,877,127	1,454,462
Income before taxes	49,553	36,973	94,370	72,169
Taxes on income	19,200	14,050	36,300	27,424
Net earnings	\$30,353	\$22,923	\$58,070	\$44,745
Earnings per common share (Note B)	\$0.53	\$0.44	\$1.02	\$0.86

See accompanying notes.

COMPUTER SCIENCES CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (unaudited)
(\$ in thousands)

	Six Months Ended	
	Sep. 29, 1995	Sep. 30, 1994
Cash flows from operating activities:		
Net earnings	\$58,070	\$44,745
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	112,082	77,831
Provision for losses on accounts receivable	11,093	7,067
Changes in assets and liabilities, net of effects of acquisitions:		
Increase in assets	(101,811)	(110,269)
Decrease in liabilities	(59,628)	(4,740)
Net cash provided by operating activities	19,806	14,634
Investing activities:		
Purchases of property, plant and equipment	(100,459)	(81,659)
Acquisitions, net of cash acquired	(26,670)	(15,485)
Outsourcing assets	(65,970)	(3,976)
Purchased and internally developed software	(16,025)	(8,445)
Other investing cash flows	(2,223)	(4,596)
Net cash used in investing activities	(211,347)	(114,161)
Financing activities:		
Borrowing under (paydown of) commercial paper, net	13,124	(51,928)
Borrowing under lines of credit, net	46,489	29,419
Borrowing under term debt issuance		150,000
Payment of outsourcing financing		(114,403)
Principal payments on long-term debt	(1,182)	(39,638)
Proceeds from exercise of stock options	4,034	6,640
Other financing cash flows	(13)	6,013
Net cash provided by (used in) financing activities	62,452	(13,897)
Net decrease in cash and cash equivalents	(129,089)	(113,424)
Cash and cash equivalents at beginning of year	155,310	126,820
Cash and cash equivalents at end of period	\$26,221	\$13,396

See accompanying notes.

COMPUTER SCIENCES CORPORATION

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(\$ in thousands except per share amounts)

- (A) No dividends were paid during the periods presented. There were 55,927,755 shares at September 29, 1995 and 55,385,555 shares at March 31, 1995 of \$1.00 par value common stock issued with 286,188 and 215,047 shares, respectively, of treasury stock.
- (B) Primary earnings per common share are based on the weighted average number of common stock and common stock equivalent shares (dilutive stock options) outstanding of 57,021,000 and 52,247,000 respectively, for the six months ended September 29, 1995, and September 30, 1994 (see Part II, Exhibit 11). Fiscal 1996 amounts include the effect of a four-million-share common stock offering completed February 15, 1995.
- (C) Cash payments for interest on indebtedness were \$17,495 and \$7,261, respectively, for the six months ended September 29, 1995, and September 30, 1994. Cash payments for taxes on income were \$36,900 and \$32,765, respectively, for the six months ended September 29, 1995, and September 30, 1994.
- (D) The financial information reported, which is not necessarily indicative of the results for a full year, is unaudited but includes all adjustments which the Company considers necessary for a fair presentation. All such adjustments are normal recurring adjustments.

PART I, ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter of Fiscal 1996 versus
Second Quarter of Fiscal 1995

Revenues

The Company derived its revenues from the following market sectors for the second quarter and first half, respectively (dollars in millions):

	Second Quarter			Six Months		
	FY96	FY95	Pct. Growth	FY96	FY95	Pct. Growth
U.S. Commercial	\$ 367	\$ 262	40.0%	\$ 713	\$ 527	35.2%
International	265	155	71.2	503	300	68.1
Total Commercial	632	417	51.6	1,216	827	47.1
U.S. Federal Government	373	372	0.3	756	700	7.9
Total	\$ 1,005	\$ 789	27.4%	\$ 1,972	\$ 1,527	29.1%

During the quarter ended September 29, 1995, the Company's total revenue increased 27.4%, or \$216 million, over the same period last year. Commercial revenue fueled the growth, increasing 51.6%. Nearly one half of the commercial growth came from the Company's international operations, reflecting the acquisitions of Ploenzke AG in Germany (effective January 1995), and business associated with the outsourcing contract signed June 1995 with Lucas Industries PLC in the United Kingdom. The remaining international growth was broad-based across the Company's operations in Europe and Australia.

U.S. commercial revenue grew \$105 million or 40%. Approximately one half of this growth came from outsourcing contracts, the largest of which were with Hughes Aircraft Company and Scott Paper Company, both signed during the third fiscal quarter last year. The Company's U.S. consulting operations also contributed to the growth with revenues 26.4% over the same quarter of fiscal 1995. U.S. federal government revenue for the quarter was nearly unchanged at \$373 million. The Company has been awarded federal contracts with a value of \$2.0 billion during fiscal 1996, compared with \$1.8 billion for all of fiscal 1995. However, many new and some existing contracts allow the Government discretion as to the timing and extent of expenditures.

For the six months, revenue growth for all market sectors reflects the same overall trends as those described for the second quarter above. As the Company's commercial sector revenues have grown faster than federal, they comprise a larger percentage of total CSC revenue, as shown by the following table:

Revenue by Market Sector, as a percentage of total	Second Quarter		Six Months	
	FY96	FY95	FY96	FY95
U.S. Commercial	37%	33%	36%	34%
International	26	20	26	20
Total Commercial	63	53	62	54
U.S. Federal Government	37	47	38	46
Total Revenue	100%	100%	100%	100%

Costs and Expenses

The Company's costs and expenses as a percentage of revenue are as follows (dollars in millions):

	Dollar Amount		Percentage of Revenue			
	Six Months FY96	FY95	Second Quarter FY96	FY95	Six Months FY96	FY95
Costs of services	\$ 1,578	\$ 1,215	79.94%	80.14%	80.02%	79.62%
Selling, general & admin.	173	150	8.62	9.40	8.75	9.83
Depreciation and amortiz.	111	78	5.72	5.06	5.69	5.10
Interest expense, net	15	11	0.79	0.77	0.76	0.72
Total	\$ 1,877	\$ 1,454	95.07%	95.31%	95.21%	95.27%

Compared with the corresponding periods of the prior year, total costs and expenses improved slightly as a percentage of revenue for both the quarter and the six months ended September 29, 1995. Selling, general and administrative expenses had the largest such improvement, with improvement across the company, offset partially by increases in depreciation and amortization and net interest expense. The latter increases reflect the Company's expansion in outsourcing, which is generally more capital intensive. The Company's outsourcing business also had a lower cost of services as a percentage of revenue than the company average, aiding the improvement seen for the second quarter above.

Income Before Taxes

Income before taxes for the quarter was \$49.6 million, up \$12.6 million, or 34%, over last year's second quarter, reflecting the Company's revenue growth. Compared with the like periods of the prior year, the Company's pre-tax profit margin improved from 4.7% to 4.8% for the six months and from 4.7% to 4.9% for the quarter ended September 29, 1995.

Net Income

Net income was \$30.4 million for the quarter ended September 29, 1995, up \$7.4 million, or 32.4%, over the same quarter last year. The effective tax rate was 38.8%, versus 38.0% for the same quarter last year. The higher current tax rate includes the increases in state income tax rates and less tax exempt income and income tax credits. This year's second quarter earnings per share of 53 cents increased 20.5% over the 44 cents for last year's second quarter. Fiscal 1996 includes the effect of a four-million-share common stock offering completed February 15, 1995.

Cash Flows

Cash provided by operating activities was \$19.8 million for the first half of fiscal 1995, compared with \$14.6 million for the same period last year.

The Company's cash expenditures for investing activities totaled \$211.3 million for the current period versus \$114.2 million during the first half of last year. The increase principally reflects greater investments in acquisition and outsourcing related assets, as described above.

Cash provided by financing activities was \$62.5 million for the six months versus a cash outflow of \$13.9 million during the same period last year. The increase is primarily due to additional borrowing on available lines of credit, as compared to the same period of the prior year when financing activities included the paydown of \$114.4 million of outsourcing-related financing and \$51.9 million of commercial paper.

Financial Condition

During the first half of fiscal 1996, the Company's capital outlays included \$193.1 million of business investments in the form of fixed asset purchases, outsourcing asset purchases and acquisitions. These amounts were funded from operating cash flows, additional debt and existing cash, which decreased from \$155.3 million to \$26.2 million. As a result of the net increase in borrowings, the Company's debt-to-total capitalization ratio increased to 29.4% at September 29, 1995 versus 28% at March 31, 1995.

It is management's opinion that the Company will be able to fund its current cash needs from operating activities and from short-term borrowings. It is also management's opinion that any major additional requirements can be financed by the use of unused borrowing capacity or by the issuance of new CSC securities.

Part II. Other Information

Item 2. Changes in Securities.

On October 30, 1995, the Board of Directors of the Company amended and restated the Rights Agreement between the Company and Chemical Mellon Shareholder Services, as Rights Agent, in order to ensure that an adequate number of shares of the Company's preferred stock are authorized and reserved for issuance upon exercise of the Company's Preferred Stock Purchase Rights.

Prior to the amendment, the Rights Agreement provided that: (1) upon the occurrence of certain events, each Right became exercisable to purchase 1/100 of a share of the Company's Series A Junior Participating Preferred Stock, and (2) each 1/100 of a share of Series A Preferred Stock had the same dividend and liquidation rights as one share of the Company's Common Stock. As a consequence of the amendment, which became effective October 30, 1995, the Rights Agreement now provides that: (i) upon the occurrence of the same events, each Right will become exercisable to purchase 1/400 of a share of Series A Preferred Stock, and (ii) each 1/400 of a share of Series A Preferred Stock has the same dividend and liquidation rights as one share of Common Stock.

The Company has 75,000,000 shares of Common Stock authorized, of which 55,641,567 were issued and outstanding as of September 29, 1995. One Right is attached to each share of Common Stock. Since each Right will now be exercisable, under certain circumstances, to purchase 1/400 of a share of Series A Preferred Stock, the 200,000 authorized shares of Series A Preferred Stock, each of which is reserved for issuance upon exercise of the Rights, will now be sufficient to permit the exercise in full of the 75,000,000 authorized Rights.

The Amended and restated Rights Agreement is filed herewith as Exhibit 10.27.

Item 4. Submission of Matters to a Vote of Security Holders

- a. The Company held its annual meeting of stockholders on August 14, 1995.
- b. Proxies for the meeting were solicited pursuant to Regulation 14 under the Securities Exchange Act of 1934; there were no solicitations in opposition to management's nominees for directors as listed in the Proxy Statement and all such nominees were elected.

Directors elected were Howard P. Allen, Irving W. Bailey, II, Van B. Honeycutt, William R. Hoover, Richard C. Lawton, Leon J. Level, F. Warren McFarlan, James R. Mellor and Alvin E. Nashman.

With respect to each nominee, the results of the vote were as follows:

	Votes	
	Affirmative	Withheld
Howard P. Allen	46,787,646	164,848
Irving W. Bailey, II	46,816,237	136,257
Van B. Honeycutt	46,817,940	134,554
William R. Hoover	46,449,001	503,493
Richard C. Lawton	46,796,137	156,357
Leon J. Level	46,816,851	135,643
F. Warren McFarlan	46,814,078	138,416
James R. Mellor	46,793,318	159,176
Alvin E. Nashman	46,441,475	511,019

c. The proposed 1995 Stock Incentive Plan was approved as follows:

	Votes		
	Affirmative	Against	Abstain
	34,297,758	12,472,563	180,685

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

	Page
3.1 Restated Articles of Incorporation	(d)
3.2 Amendment to Restated Articles of Incorporation	(l)
3.3 By-Laws, effective January 31, 1993	(h)
10.1 Annual Management Incentive Plan	(a)
10.2 1978 Stock Option Plan	(h)
10.3 Amendment Nos. 1 and 2 to the 1978 Stock Option Plan	(h)
10.4 Amendment No. 3 to the 1978 Stock Option Plan	(c)
10.5 1980 Stock Option Plan	(h)
10.6 Amendment Nos. 1, 2, 3 and 4 to the 1980 Stock Option Plan	(b)
10.7 Amendment No. 5 to the 1980 Stock Option Plan	(c)
10.8 1984 Stock Option Plan	(i)
10.9 Amendment No. 1 to the 1984 Stock Option Plan	(b)
10.10 Amendment No. 2 to the 1984 Stock Option Plan	(c)
10.11 1987 Stock Incentive Plan	(c)
10.12 Schedule to the 1987 Stock Incentive Plan for United Kingdom personnel	(c)
10.13 1990 Stock Incentive Plan	(j)
10.14 1992 Stock Incentive Plan	(l)
10.15 Amendment No. 1 to the 1992 Stock Incentive Plan	(h)
10.16 1995 Stock Incentive Plan, filed herewith	
10.17 Deferred Compensation Plan, filed herewith	
10.18 Restated Supplemental Executive Retirement Plan, effective August 14, 1995, filed herewith	
10.19 Form of Indemnification Agreement for Directors	(e)
10.20 Form of Indemnification Agreement for Officers	(h)
10.21 Information Technology Services Agreements with General Dynamics Corporation, dated as of November 4, 1991	(k)
10.22 Restated Rights Agreement dated as of December 21, 1988, effective December 6, 1993	(g)
10.23 \$100 million Credit Agreement dated as of September 15, 1994	(h)
10.24 \$150 million Credit Agreement dated as of September 15, 1994	(h)
10.25 \$350,000,000 Credit Agreement dated as of September 6, 1995, filed herewith	
10.26 \$100 million Credit Agreement dated as of January 3, 1995	(h)
10.27 Amended and Restated Rights Agreement, effective October 30, 1995, filed herewith	
11 Calculation of Primary and Fully Diluted Earnings Per Share,	

- 27 filed herewith
- 28 Article 5 Financial Data Schedule, filed herewith
- 28 Additional exhibit, Revenue by Market Sector, filed herewith
- 99.1 Annual Report on Form 11-K for the Matched Asset Plan of Computer Sciences Corporation (h)
- 99.2 Annual Report on Form 11-K for the Hourly Savings Plan of CSC Outsourcing Inc. (h)
- 99.3 Annual Report on Form 11-K for the Employee Savings Plan of CSC Credit Services, Inc. (to be filed at a later date)

Notes to Exhibit Index:

(a)-(h) These exhibits are incorporated herein by reference to the Company's Form 10-K, Commission File No. 1-4850, for the respective fiscal year noted below:

- | | |
|--------------------|--------------------|
| (a) March 30, 1984 | (e) April 3, 1992 |
| (b) April 3, 1987 | (f) April 2, 1993 |
| (c) April 1, 1988 | (g) April 1, 1994 |
| (d) March 31, 1989 | (h) March 31, 1995 |
- (i) Incorporated herein by reference to the Company's Form S-8 filed on August 17, 1984.
 - (j) Incorporated herein by reference to the Company's Form S-8 filed on August 15, 1990.
 - (k) Incorporated herein by reference to the Company's Form 8-K filed on November 4, 1991.
 - (l) Incorporated herein by reference to the Company's Proxy Statement for its August 10, 1992 Annual Meeting of Stockholders.
 - (m) Incorporated herein by reference to the Company's Form S-8 filed on August 12, 1992.

b. Reports on Form 8-K:

There were no reports on Form 8-K filed during the second quarter of fiscal 1996.

COMPUTER SCIENCES CORPORATION
1995 STOCK INCENTIVE PLAN

Section 1: PURPOSE OF PLAN

The purpose of this 1995 Stock Incentive Plan ("Plan") of Computer Sciences Corporation, a Nevada corporation (the "Company"), is to enable the Company and its subsidiaries to attract, retain and motivate their employees by providing for or increasing the proprietary interests of such employees in the Company.

Section 2: PERSONS ELIGIBLE UNDER PLAN

Any person, including any director of the Company, who is an employee of the Company or any of its subsidiaries (an "Employee") shall be eligible to be considered for the grant of Awards (as hereinafter defined) hereunder.

Section 3: AWARDS

(a) The Committee (as hereinafter defined), on behalf of the Company, is authorized under this Plan to enter into any type of arrangement with an Employee that is not inconsistent with the provisions of this Plan and that by its terms, involves or might involve the issuance of (i) shares of common stock, par value \$1.00 per share, of the Company ("Common Shares"), or (ii) a Derivative Security (as such term is defined in Rule 16a-1 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as such Rule may be amended from time to time) with an exercise or conversion privilege at a price related to the Common Shares or with a value derived from the value of the Common Shares. The entering into of any such arrangement is referred to herein as the "grant" of an "Award."

(b) Awards are not restricted to any specified form or structure and may include, but are not limited to, sales, bonuses and other transfers of stock, restricted stock, stock options, reload stock options, stock purchase warrants, other rights to acquire stock, securities convertible into or redeemable for stock, stock appreciation rights, limited stock appreciation rights, phantom stock, dividend equivalents, performance units or performance shares, and an Award may consist of one such security or benefit, or two or more of them in tandem or in the alternative.

(c) Common Shares may be issued pursuant to an Award for any lawful consideration as determined by the Committee, including, without limitation, services rendered by the recipient of such Award.

(d) Subject to the provisions of this Plan, the Committee, in its sole and absolute discretion, shall determine all of the terms and conditions of each Award granted hereunder, which terms and conditions may include, among other things:

(i) any provision necessary for such Award to qualify as an incentive stock option under Section 422 of the Internal Revenue Code (an "Incentive Stock Option");

(ii) a provision permitting the recipient of such Award (including any recipient who is a director or officer of the Company) to pay the purchase price of the Common Shares or other property issuable pursuant to such Award, and/or to pay such recipient's tax withholding obligation with respect to such issuance, in whole or in part, by delivering previously owned shares of capital stock of the Company (including "pyramiding") or other property, and/or by reducing the amount of Common Shares or other property otherwise issuable pursuant to such Award; or

(iii) a provision conditioning or accelerating the receipt of benefits pursuant to such Award, either automatically or in the discretion of the Committee, upon the occurrence of specified events, including, without limitation, a change of control of the Company, an acquisition of a specified percentage of the voting power of the Company, the dissolution or liquidation of the Company, a sale of substantially all of the property and assets of the Company or an event of the type described in Section 7 hereof.

(e) Notwithstanding any other provision of this Plan, the maximum number of Common Shares with respect to which options or rights may be granted under this Plan to any Employee during any fiscal year shall be 200,000, subject to adjustment as provided in Section 7 hereof.

Section 4: STOCK SUBJECT TO PLAN

(a) The aggregate number of Common Shares that may be issued pursuant to all Incentive Stock Options granted under this Plan shall not exceed 2,500,000, subject to adjustment as provided in Section 7 hereof.

(b) At any time, the aggregate number of Common Shares issued and issuable pursuant to all Awards (including all Incentive Stock Options) granted under this Plan shall not exceed 2,500,000, subject to adjustment as provided in Section 7 hereof.

(c) For purposes of Section 4(b) hereof, the aggregate number of Common Shares issued and issuable pursuant to Awards granted under this Plan shall at any time be deemed to be equal to the sum of the following:

(i) the number of Common Shares which were issued prior to such time pursuant to Awards granted under this Plan, other than Common Shares which were subsequently reacquired by the Company pursuant to the terms and conditions of such Awards and with respect to which the holder thereof received no benefits of ownership such as dividends; plus

(ii) the number of Common Shares which were otherwise issuable prior to such time pursuant to Awards granted under this Plan but which were withheld by the Company as payment of the purchase price of the Common Shares issued pursuant to such Awards or as payment of the recipient's tax withholding obligation with respect to such issuance; plus

(iii) the maximum number of Common Shares which are or may be issuable at or after such time pursuant to Awards granted under this Plan.

Section 5: DURATION OF PLAN

No Awards may be granted under this Plan after June 12, 2005. Although Common Shares may be issued after June 12, 2005 pursuant to Awards that were duly granted prior to such date, no Common Shares may be issued under this Plan after June 12, 2015.

Section 6: ADMINISTRATION OF PLAN

(a) This Plan shall be administered by a committee of the Board of Directors (the "Committee") consisting of two or more directors, each of whom is both a Disinterested Person for purposes of Rule 16b-3 promulgated under the Exchange Act and an Outside Director for purposes of Section 162(m) of the Internal Revenue Code, as such Rule and such Section may be amended from time to time).

(b) Subject to the provisions of this Plan, the Committee shall be authorized and empowered to do all things necessary or desirable in connection with the administration of this Plan, including, without limitation, the following:

(i) adopt, amend and rescind rules and regulations relating to this Plan;

(ii) determine which persons are Employees, and to which of such Employees, if any, Awards shall be granted hereunder;

(iii) grant Awards to Employees and determine the terms and conditions thereof, including the number of Common Shares issuable pursuant thereto;

(iv) determine whether, and the extent to which adjustments are required pursuant to Section 7 hereof; and

(v) interpret and construe this Plan and the terms and conditions of all Awards granted hereunder.

Section 7: ADJUSTMENTS

If the outstanding securities of the class then subject to this Plan are increased, decreased or exchanged for or converted into cash, property and/or a different number or kind of securities, or if cash, property and/or securities are distributed in respect of such outstanding securities, in either case as a result of a reorganization, merger, consolidation, recapitalization, restructuring, reclassification, dividend (other than a regular, quarterly cash dividend) or other distribution, stock split, reverse stock split or the like, or if substantially all of the property and assets of the Company are sold, then, unless the terms of such transaction shall provide otherwise, the Committee shall make appropriate and proportionate adjustments in:

(a) the number and type of shares or other securities or cash or other property that may be acquired pursuant to Incentive Stock Options and other Awards theretofore granted under this Plan;

(b) the maximum number and type of shares or other securities that may be issued pursuant to Incentive Stock Options and other Awards thereafter granted under this Plan; and

(c) the maximum number of Common Shares with respect to which options or rights may thereafter be granted under this Plan to any Employee during any fiscal year.

Section 8: AMENDMENT AND TERMINATION OF PLAN

The Board of Directors may amend or terminate this Plan at any time and in any manner, subject to the following:

(a) no recipient of any Award shall, without his or her consent, be deprived thereof or of any of his or her rights thereunder or with respect thereto as a result of such amendment or termination; and

(b) if any rule, regulation or procedure of any national securities exchange upon which any securities of the Company are listed, or any listing agreement with any such securities exchange, requires that any such amendment be approved by the stockholders of the Company, then such amendment shall not be effective unless and until it is approved by the affirmative vote of the holders of a majority of the securities of the Company present, or represented, and entitled to vote at a meeting of the stockholders of the Company.

Section 9: EFFECTIVE DATE OF PLAN

This Plan shall be effective as of June 12, 1995, the date upon which it was approved by the Board of Directors; provided, however, that no Common Shares may be issued under this Plan until it has been approved by the affirmative votes of the holders of a majority of the securities of the Company present, or represented, and entitled to vote at a meeting of the stockholders of the Company.

COMPUTER SCIENCES CORPORATION
DEFERRED COMPENSATION PLAN

COMPUTER SCIENCES CORPORATION
DEFERRED COMPENSATION PLAN

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COMPUTER SCIENCES CORPORATION
DEFERRED COMPENSATION PLAN

as Amended and Restated Effective September 30, 1995

Computer Sciences Corporation, a Nevada corporation, by resolution of its Board of Directors dated August 14, 1995, has adopted the Computer Sciences Corporation Deferred Compensation Plan (the "Plan"), which constitutes a complete amendment and restatement of the Computer Sciences Corporation Nonqualified Deferred Compensation Plan (the "Predecessor Plan"), effective as of September 30, 1995, for the benefit of its Nonemployee Directors, as defined below, and certain of its Key Executives, as defined below.

The Plan shall constitute two separate plans, one for the benefit of Nonemployee Directors and one for the benefit of Key Executives. The plan for Key Executives is a nonqualified deferred compensation plan which is unfunded and is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, as defined below. The plan for Nonemployee Directors is not subject to ERISA.

ARTICLE I

DEFINITIONS

Section 1.1 General

Whenever the following terms are used in the Plan with the first letter capitalized, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.2 Account

"Account" of a Participant shall mean the Participant's individual deferred compensation account established for his or her benefit under Article IV hereof.

Section 1.3 Administrator

"Administrator" shall mean Computer Sciences Corporation, acting through its Chief Executive Officer or his or her delegate, except that if Computer Sciences Corporation appoints a Committee under Section 7.4, the term "Administrator" shall mean the Committee as to those duties, powers and responsibilities specifically conferred upon the Committee.

Section 1.4 Board

"Board" shall mean the Board of Directors of Computer Sciences Corporation. The Board may delegate any power or duty otherwise allocated to the Administrator to any other person or persons, including a Committee appointed under Section 7.4.

Section 1.5 Change in Control

"Change in Control" means, after September 30, 1995, (a) the acquisition by any person, entity or group (as defined in Section 13(d)3 of the Exchange Act), as beneficial owner, directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the then outstanding securities of Computer Sciences Corporation, or (b) a change during any period of two (2) consecutive years of a majority of the Board as constituted as of the beginning of such period, unless the election of each director who was not a director at the beginning of such period was approved by vote of a least two-thirds of the directors then in office who were directors at the beginning of such period, or (c) any other event constituting a change in control for purposes of Schedule 14A of Regulation 14A under the Exchange Act.

Section 1.6 Chief Executive Officer

"Chief Executive Officer" shall mean the Chief Executive Officer of Computer Sciences Corporation.

Section 1.7 Code

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

Section 1.8 Committee

"Committee" shall mean the Committee, if any, appointed in accordance with Section 7.4.

Section 1.9 Company

"Company" shall mean Computer Sciences Corporation and all of its affiliates, and any entity which is a successor in interest to Computer Sciences Corporation and which continues the Plan under Section 8.3(a).

Section 1.10 Deferred Compensation

"Deferred Compensation" of a Participant shall mean the amounts deferred by such Participant under Article III of the Plan.

Section 1.11 Election Form

"Election Form" shall mean the form of election provided by the Administrator to each Eligible Executive and Nonemployee Director pursuant to Section 3.1.

Section 1.12 Eligible Key Executive

"Eligible Key Executive" shall mean any Key Executive who has been designated as eligible to participate in the Plan with respect to any Plan Year by the Chief Executive Officer.

Section 1.13 Employee

"Employee" shall mean any person who renders services to the Company in the status of an employee as that term is defined in Code Section 3121(d), including officers but not including directors who serve solely in that capacity.

Section 1.14 ERISA

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

Section 1.15 Exchange Act

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.16 Hardship

(a) "Hardship" of a Participant, shall mean any one or more of the following:

(i) medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's spouse, or the Participant's dependents (as described in Code Section 152) if such expenses can not be paid from any other source;

(ii) purchase (excluding mortgage payments) of a principal residence for the Participant;

(iii) payment of tuition for the next 12 months of post-secondary education for the Participant, the Participant's spouse, or the Participant's dependents who are claimed as such on the Participant's federal income tax return;

(iv) the need to prevent the Participant's eviction from the Participant's primary residence, or foreclosure on the mortgage of the Participant's primary residence; or

(v) any other financial need which the Internal Revenue Service has approved as a financial hardship which permits distributions to be made to participants under the financial hardship provisions of the Company's Matched Asset Plan.

(b) Notwithstanding subsection(a) above, a financial need shall not constitute a Hardship unless it is for at least \$1,000.00 (or the entire principal amount of the Participant's Accounts, if less).

(c) Whether a Participant has incurred a Hardship shall be determined by the Administrator in its discretion on the basis of all relevant facts and circumstances and in accordance with nondiscriminatory and objective standards, uniformly interpreted and consistently applied.

Section 1.17 Key Executive

"Key Executive" shall mean any Employee of the Company who is an officer or other key executive of the Company and who qualifies as a "highly compensated employee or management employee" within the meaning of Title I of ERISA.

Section 1.18 Key Executive Plan

"Key Executive Plan" shall mean the portion of this Plan which is maintained or the benefit of the Company's Key Executives.

Section 1.19 Nonemployee Director

"Nonemployee Director" shall mean a member of the Board who is not an Employee.

Section 1.20 Nonemployee Director Plan

"Nonemployee Director Plan" shall mean the portion of this Plan which is maintained for the benefit of the Company's Nonemployee Directors.

Section 1.21 Partial First Plan Year

"Partial First Plan Year" shall mean that portion of the first Plan Year of the Plan subject to its amendment and restatement effective as of September 30, 1995, which shall begin on September 30, 1995 and end on March 29, 1996.

Section 1.22 Participant

"Participant" shall mean any person who elects to participate in the Plan as provided in Article II and who defers Qualified Compensation under the Plan.

Section 1.23 Plan

"Plan" shall mean the Computer Sciences Corporation Deferred Compensation Plan.

Section 1.24 Plan Year

"Plan Year" shall mean the fiscal year of the Company.

Section 1.25 Predecessor Plan

"Predecessor Plan" shall mean the Computer Sciences Corporation Nonqualified Deferred Compensation Plan as in effect and maintained by the Company for the benefit of its Nonemployee Directors prior to the amendment and restatement of the Plan effective as of September 30, 1995.

Section 1.26 Retirement

"Retirement" shall mean, with respect to a Key Executive, a Separation from Service of such Key Executive (a) on or after attainment of age sixty-two (62) or (b) prior to attainment of age sixty-two (62) if the Chief Executive Officer shall designate such Separation from Service as Retirement for purposes of the Plan.

Section 1.27 Separation from Service

(a) "Separation from Service" of a Key Executive shall mean the termination of his or her employment with the Company by reason resignation, discharge, death or Retirement. A leave of absence or sick leave authorized by the Company in accordance with established policies, a vacation period or a military leave shall not constitute a Separation from Service; provided, however, that failure to return to work upon expiration of any leave of absence, sick leave, military leave or vacation shall be considered a resignation effective as of the date of expiration of such leave of absence, sick leave, military leave or vacation.

(b) "Separation from Service" of a Nonemployee Director shall mean the Nonemployee Director's ceasing to serve as a member of the Board for any reason.

Section 1.28 Qualified Compensation

(a) "Qualified Compensation" of a Key Executive shall mean the Key Executive's annual bonus which may be payable to the Key Executive under the Computer Sciences Corporation Annual Incentive Plan or such other bonus or

incentive compensation plan of the Company which may be designated from time to time by the Administrator.

(b) "Qualified Compensation" of a Nonemployee Director shall mean the retainer, consulting fees, committee fees and meeting fees which are payable to the Nonemployee Director by the Company.

ARTICLE II

ELIGIBILITY

Section 2.1 Requirements for Participation

Any Eligible Key Executive and any Nonemployee Director shall be eligible to be a Participant in the Plan.

Section 2.2 Deferral Election Procedure

For each Plan Year, the Administrator shall provide each Eligible Key Executive and each Nonemployee Director with an Election Form on which such person may elect to defer his or her Qualified Compensation under Article III. Each such person who elects to defer Qualified Compensation under Article III shall complete and sign the Election Form and return it to the Administrator.

Section 2.3 Content of Election Form

Each Participant who elects to defer Qualified Compensation under the Plan shall set forth on the Election Form specified by the Administrator:

(a) the amount of Qualified Compensation to be deferred under Article III and the Participant's authorization to the Company to reduce his or her Qualified Compensation by the amount of the deferred compensation,

(b) the length of time with respect to which the Participant elects to defer the Deferred Compensation,

(c) the method under which the Participant's Deferred Compensation shall be payable, and

(d) such other information, acknowledgments or agreements as may be required by the Administrator.

ARTICLE III

PARTICIPANTS' DEFERRALS

Section 3.1 Deferral of Qualified Compensation

(a) Each Eligible Key Executive and Nonemployee Director may elect to defer into his or her Account all or any portion of the Qualified Compensation which would otherwise be payable to him or her for any Plan Year in which he or she has not incurred a Separation from Service as of the first day of the Plan Year in question. Such election shall be made by the Eligible Key Executive or Nonemployee Director completing and delivering to the Administrator his or her Election Form for such Plan Year no later than the last day of the next preceding Plan Year, except (i) with respect to the Partial First Plan Year, in which case such election shall be made not later than September 29, 1995, and (ii) with respect to a person who first becomes a Nonemployee Director during a Plan Year, which person may make such election within 30 days after first becoming a Nonemployee Director.

(b) Except as set forth in Sections 6.2 and 6.3 hereof, any such election made by a Participant to defer Qualified Compensation shall be irrevocable and shall not be amendable by the Participant.

Section 3.2 Deferral for Partial First Plan Year

For the Partial First Plan Year, Participants may defer any or all of the Qualified Compensation which is earned by them after September 29, 1995 and before March 30, 1996. Deferral elections previously made by Nonemployee Directors for the 1996 Plan Year shall only remain effective with respect to Qualified Compensation earned prior to September 30, 1995.

ARTICLE IV

DEFERRED COMPENSATION ACCOUNTS

Section 4.1 Deferred Compensation Accounts

The Administrator shall establish and maintain for each Participant an Account to which shall be credited the amounts allocated thereto under this Article IV and from which shall be debited the Participant's distributions and withdrawals under Articles V and VI.

Section 4.2 Crediting of Deferred Compensation

Each Participant's Account shall be credited with an amount which is equal to the amount of the Participant's Qualified Compensation which such Participant

has elected to defer under Article III at the time such Qualified Compensation would otherwise have been paid to the Participant.

Section 4.3 Crediting of Earnings

Beginning on September 30, 1995 and subject to amendment by the Board, for each Plan Year earnings shall be credited to each Participant's Account (including the Accounts of Nonemployee Directors under the Predecessor Plan), at a rate equal to 120% of the 120-month rolling average interest payable on 10-year United States Treasury Notes as of December 31 of the preceding Plan Year, compounded annually. Earnings shall be credited on such valuation dates as the Administrator shall determine.

Section 4.4 Applicability of Account Values

The value of each Participant's Account as determined as of a given date under this Article, plus any amounts subsequently allocated thereto under this Article and less any amounts distributed or withdrawn under Articles V or VI shall remain the value thereof for all purposes of the Plan until the Account is revalued hereunder.

Section 4.5 Vesting of Deferred Compensation Accounts

Subject to the possible reductions provided for in Section 6.2 and 6.3 with respect to certain Participant withdrawals, each Participant's interest in his or her Account shall be 100% vested and non-forfeitable at all times.

Section 4.6 Assignments, Etc. Prohibited

No part of any Participant's Account shall be liable for the debts, contracts or engagements of the Participant, or the Participant's beneficiaries or successors in interest, or be taken in execution by levy, attachment or garnishment or by any other legal or equitable proceeding, nor shall any such person have any rights to alienate, anticipate, commute, pledge, incur or assign any benefits or payments hereunder in any manner whatsoever except to designate a beneficiary as provided in Section 5.3.

ARTICLE V

DISTRIBUTIONS OF DEFERRED COMPENSATION ACCOUNTS

Section 5.1 Distributions upon a Key Executive's Retirement and a Nonemployee Director's Separation from Service

(a) The Account of a Key Executive who incurs a Separation from Service upon his or her Retirement, and the Account of a Nonemployee Director who incurs a Separation from Service, in each case other than on account of death, shall be

paid to the Participant as specified in any election made by the Participant pursuant to Section 5.4 hereof. Any remaining balance of the Participant's Account shall be paid to the Participant, as specified by the Participant in an election made pursuant to this Section 5.1, in a lump-sum distribution or in approximately equal annual installments over 5, 10 or 15 years. Payment(s) shall commence within thirty (30) days following the date of such Separation from Service.

(b) At the time a Participant first elects to defer Qualified Compensation under the Plan, he or she shall make an election pursuant to this Section 5.1. Such election shall remain in effect and shall apply to the Participant's total Account, as the same may increase or decrease from time to time. An election pursuant to this Section 5.1 may be superseded by a subsequent election, which subsequent election shall then apply to the Participant's total Account, as the same may increase or decrease from time to time. Notwithstanding the foregoing, no subsequent election pursuant to this Section 5.1 shall be effective unless it is made at least 13 months prior to the Participant's Separation from Service.

Section 5.2 Distributions upon a Key Executive's Pre-Retirement Separation from Service

The Account of a Key Executive who incurs a Separation from Service prior to his or her Retirement and other than on account of his or her death shall be paid to the Participant in a lump-sum distribution within thirty (30) days following the date of such Separation from Service, notwithstanding any election to the contrary made by the Participant pursuant to Section 5.4 hereof.

Section 5.3 Distributions upon a Participant's Death

(a) Notwithstanding anything to the contrary in the Plan, the remaining balance of the Account of a Participant who dies (i) shall be paid to the persons and entities designated by the Participant as his or her beneficiaries for such purpose and (ii) shall be paid in the manner set forth in this Section 5.3. With respect to a Participant who does not incur a Separation from Service prior to his or her death, such balance shall be paid, as specified by the Participant in an election made pursuant to this Section 5.3, in a lump-sum distribution or in approximately equal annual installments over 5, 10 or 15 years. With respect to a Participant who does incur a Separation from Service prior to his or her death, such balance shall be paid, as specified by the Participant in an election made pursuant to this Section 5.3, in a lump-sum distribution or in approximately equal annual installments over the remaining term of the 5, 10 or 15-year payment period elected pursuant to Section 5.1 hereof. Payment(s) shall commence within thirty (30) days following the date of death.

(b) At the time a Participant first elects to defer Qualified Compensation under the Plan, he or she shall make an election pursuant to this Section 5.3. Such election shall remain in effect and shall apply to the Participant's total Account, as the same may increase or decrease from time to time. An election pursuant to this

Section 5.3 may be superseded by a subsequent election, which subsequent election shall then apply to the Participant's total Account, as the same may increase or decrease from time to time. Notwithstanding the foregoing, no subsequent election pursuant to this Section 5.3 shall be effective unless it is made at least 13 months prior to the Participant's Separation from Service.

Section 5.4 Optional Distributions

(a) At the time a Participant elects to defer Qualified Compensation for any Plan Year, he or she may also elect, pursuant to this Section 5.4, to receive a special, lump-sum distribution of any or all of the amount deferred for such Plan Year on a date specified by the Participant in such election, which date must be at least 24 months after the date of such election. Any such special distribution shall be made within five (5) business days after the date therefor specified by the Participant, unless the Participant shall have died on or prior to such date, in which case no such special distribution shall be made.

(b) An election pursuant to this Section 5.4 may be rescinded, or may be superseded by a subsequent election. Notwithstanding the foregoing, no rescission or subsequent election pursuant to this Section 5.4 shall be effective unless it is made at least 13 months prior to the Participant's Separation from Service and, with respect to a subsequent election, at least 24 months prior to the date upon which the special distribution will be made.

Section 5.5 Applicable Taxes

All distributions under the Plan shall be subject to withholding for all amounts which the Company is required to withhold under federal, state or local tax law.

ARTICLE VI

WITHDRAWALS FROM DEFERRED COMPENSATION ACCOUNTS

Section 6.1 Hardship Withdrawals from Accounts

A Participant may make a withdrawal from the Participant's Account on account of the Participant's Hardship, subject to all of the following requirements:

(a) The Participant's withdrawal shall not exceed the amount which is necessary to satisfy the Hardship;

(b) The denial of the Participant's Hardship withdrawal request would result in severe financial hardship to the Participant; and

(c) The Participant has not received a Hardship withdrawal within the 12 month period preceding the withdrawal.

Section 6.2 Withdrawals after a Change in Control

At any time within three years after the occurrence of a Change in Control, a Key Executive may elect to withdraw all or any part of the Key Executive's Account by delivering a written election to such effect to the Administrator, provided, however, that if a Key Executive makes such an election, (i) the Key Executive shall forfeit, and the Key Executive's Account shall be debited with, an amount equal to 5% of the amount of the withdrawal distribution, (ii) the Key Executive's deferral election for the Plan Year in which the withdrawal distribution occurs shall be terminated with respect to any Qualified Compensation which has not yet been deferred and (iii) the Key Executive shall not be permitted to defer Qualified Compensation under the Plan for the two Plan Years immediately following the Plan Year of the withdrawal distribution.

Section 6.3 Voluntary Withdrawals

At any time, a Participant may elect to withdraw all or any part of the Participant's Account by delivering a written election to such effect to the Administrator, provided, however, that if a Participant makes such an election, (i) the Participant shall forfeit, and the Participant's Account shall be debited with, an amount equal to 10% of the amount of the withdrawal distribution, (ii) the Participant's deferral election for the Plan Year in which the withdrawal distribution occurs shall be terminated with respect to any Qualified Compensation which has not yet been deferred and (iii) the Participant shall not be permitted to defer Qualified Compensation under the Plan for the two Plan Years immediately following the year of the withdrawal distribution.

Section 6.4 Applicable Taxes

All withdrawals under the Plan shall be subject to withholding for all amounts which the Company is required to withhold under federal, state or local tax law.

ARTICLE VII

ADMINISTRATIVE PROVISIONS

Section 7.1 Administrator's Duties and Powers

The Administrator shall conduct the general administration of the Plan in accordance with the Plan and shall have all the necessary power, authority and discretion to carry out that function. Among its necessary powers and duties are the following:

(a) To delegate all or part of its function as Administrator to others and to revoke any such delegation.

(b) To determine questions of eligibility of Participants and their entitlement to benefits, subject to the provisions of Section 7.11.

(c) To select and engage attorneys, accountants, actuaries, trustees, appraisers, brokers, consultants, administrators, physicians, or other persons to render service or advice with regard to any responsibility the Administrator or the Board has under the Plan, or otherwise, to designate such persons to carry out fiduciary responsibilities under the Plan, and (together with the Committee, the Company, the Board and the officers and Employees of the Company) to rely upon the advice, opinions or valuations of any such persons, to the extent permitted by law, being fully protected in acting or relying thereon in good faith.

(d) To interpret the Plan and any relevant facts for purpose of the administration and application of the Plan, in a manner not inconsistent with the Plan or applicable law and to amend or revoke any such interpretation.

(e) To conduct claims procedures as provided in Section 7.11.

Section 7.2 Limitations Upon Powers

The Plan shall be uniformly and consistently administered, interpreted and applied with regard to all Participants in similar circumstances. The Plan shall be administered, interpreted and applied fairly and equitably and in accordance with the specified purposes of the Plan.

Section 7.3 Final Effect of Administrator Action

Except as provided in Section 7.11, all actions taken and all determinations made by the Administrator in good faith shall be final and binding upon all Participants, the Company and any person interested in the Plan.

Section 7.4 Committee

(a) The Administrator may, but need not, appoint a Committee consisting of two or more members to hold office during the pleasure of the Administrator. The Committee shall have such powers and duties as are delegated to it by the Administrator. Committee members shall not receive payment for their services as such.

(b) Appointment of Committee members shall be effective upon filing of written acceptance of appointment with the Administrator.

(c) A Committee member may resign at any time by delivering written notice to the Administrator.

(d) Vacancies in the Committee shall be filled by the Administrator.

(e) The Committee shall act by a majority of its members in office; provided, however, that the Committee may appoint one of its members or a delegate to act on behalf of the Committee on matters arising in the ordinary course of administration of the Plan or on specific matters.

Section 7.5 Indemnification by the Company; Liability Insurance

The Company shall pay or reimburse any of the Company's officers, directors, Committee members or Employees who are fiduciaries with respect to the Plan for all expenses incurred by such persons in, and shall indemnify and hold them harmless from, all claims, liability and costs (including reasonable attorneys' fees) arising out of the good faith performance of their duties under the Plan. The Company may obtain and provide for any such person, at the Company's expense, liability insurance against liabilities imposed on such person by law.

Section 7.6 Recordkeeping

(a) The Administrator shall maintain suitable records of each Participant's Account which, among other things, shall show separately deferrals and the earnings credited thereon, as well as distributions and withdrawals therefrom and records of its deliberations and decisions.

(b) The Administrator shall appoint a secretary, and at its discretion, an assistant secretary, to keep the record of proceedings, to transmit its decisions, instructions, consents or directions to any interested party, to execute and file, on behalf of the Administrator, such documents, reports or other matters as may be necessary or appropriate under ERISA and to perform ministerial acts.

(c) The Administrator shall not be required to maintain any records or accounts which duplicate any records or accounts maintained by the Company.

Section 7.7 Statement to Participants

By March 15 of each year, the Administrator shall furnish to each Participant a statement setting forth the value of the Participant's Account as of the preceding December 31 and such other information as the Administrator shall deem advisable to furnish.

Section 7.8 Inspection of Records

Copies of the Plan and records of a Participant's Account shall be open to inspection by the Participant or the Participant's duly authorized representatives at the office of the Administrator at any reasonable business hour.

Section 7.9 Identification of Fiduciaries

The Administrator shall be the named fiduciary of the Plan and, as permitted or required by law, shall have exclusive authority and discretion to operate and administer the Plan.

Section 7.10 Procedure for Allocation of Fiduciary Responsibilities

(a) Fiduciary responsibilities under the Plan are allocated as follows:

(i) The sole duties, responsibilities and powers allocated to the Board, any Committee and any fiduciary shall be those expressly provided in the relevant Sections of the Plan.

(ii) All fiduciary duties, responsibilities, and powers not allocated to the Board, any Committee or any fiduciary, are hereby allocated to the Administrator, subject to delegation.

(b) Fiduciary duties, responsibilities and powers under the Plan may be reallocated among fiduciaries by amending the Plan in the manner prescribed in Section 8.6, followed by the fiduciaries' acceptance of, or operation under, such amended Plan.

Section 7.11 Claims Procedure

(a) No distributions under this Plan to a Participant, former Participant or Participant's beneficiary shall be made except upon a claim filed in writing with the Committee, if in existence, or otherwise to a claims official designated by the Administrator.

(b) If the Committee or claims official wholly or partially denies the claim, it or he shall, within a reasonable period of time after receipt of the claim, provide the claimant with written notice of such denial, setting forth, in a manner calculated to be understood by the claimant:

(i) the specific reason or reasons for such denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the Plan's claims review procedure.

(c) The Administrator shall provide each claimant with a reasonable opportunity to appeal a denial of a claim to the Chief Executive Officer or his or her

authorized delegate for a full and fair review. The claimant or his or her duly authorized representative:

(i) may request a review upon written application to the Chief Executive Officer or his authorized delegate (which shall be filed with the Committee or claims official);

(ii) may review pertinent documents; and

(iii) may submit issues and comments in writing.

(d) The Chief Executive Officer or his authorized delegate may establish such time limits within which a claimant may request review of a denied claim as are reasonable in relation to the nature of the benefit which is the subject of the claim and to other attendant circumstances but which shall be not less than sixty days after receipt by the claimant of written notice of denial of his or her claim.

(e) The decision by the Chief Executive Officer or his delegate upon review of a claim shall be made not later than sixty days after receipt by the chief Executive Officer or his authorized delegate of the request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one hundred twenty days after receipt of such request for review.

(f) The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific references to the pertinent Plan provisions on which the decision is based.

(g) To the extent permitted by law, the decision of the Committee or claims official, if no appeal is filed, or the decision of the Chief Executive Officer or his delegate on review, when warranted on the record and reasonably based on the law and the provisions of the Plan, shall be final and binding on all parties.

Section 7.12 Conflicting Claims

If the Administrator is confronted with conflicting claims concerning a Participant's Account, the Administrator may interplead the claimants in an action at law, or in an arbitration conducted in accordance with the rules of the American Arbitration Association, as the Administrator shall elect in its sole discretion, and in either case, the attorneys' fees, expenses and costs reasonably incurred by the Administrator in such proceeding shall be paid from the Participant's Account.

Section 7.13 Service of Process

The Secretary of Computer Sciences Corporation is hereby designated as agent of the Plan for the service of legal process.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Termination of the Plan

(a) While the Plan is intended as a permanent program, the Board shall have the right at any time to declare the Plan terminated completely as to the Company or as to any group, division or other operational unit thereof or as to any affiliate thereof.

(b) Discharge or layoff of any Employees without such a declaration shall not result in a termination of the Plan.

(c) In the event of any termination, the Board, in its sole and absolute discretion may elect to:

(i) maintain Participants' Accounts, payment of which shall be made in accordance with Articles V and VI; or

(ii) liquidate the portion of the Plan attributable to each Participant as to whom the Plan is terminated and distribute each such Participant's Account in a lump sum or pursuant to any method which is at least as rapid as the distribution method elected by the Participant under Section 5.4.

Section 8.2 Limitation on Rights of Participants

The Plan is strictly a voluntary undertaking on the part of the Company and shall not constitute a contract between the Company and any Employee or any Nonemployee Director, or consideration for, or an inducement or condition of, the employment of an Employee or service of a Nonemployee Director. Nothing contained in the Plan shall give any Employee or Nonemployee Director the right to be retained in the service of a Company or to interfere with or restrict the right of the Company, which is hereby expressly reserved, to discharge or retire any Employee or Nonemployee Director, except as otherwise provided by a written employment agreement between the Company and the Employee or Nonemployee Director, at any time without notice and with or without cause. Inclusion under the Plan will not give any Employee or Nonemployee Director any right or claim to any benefit hereunder except to the extent such right has specifically become fixed under the terms of the Plan. The doctrine of substantial performance shall have no

application to Employees, Nonemployee Directors, Participants or any other persons entitled to payments under the Plan.

Section 8.3 Consolidation or Merger; Adoption of Plan by Other Companies

(a) In the event of the consolidation or merger of the Company with or into any other entity, or the sale by the Company of substantially all of its assets, the resulting successor may continue the Plan by adopting it in a resolution of its Board of Directors. If within 90 days from the effective date of such consolidation, merger or sale of assets, such successor corporation does not adopt the Plan, the Plan shall be terminated in accordance with Section 8.1.

(b) There shall be no merger or consolidation with, or transfer of the liabilities of the Plan to, any other plan unless each Participant in the Plan would have, if the combined or successor plans were terminated immediately after the merger, consolidation, or transfer, an account which is equal to or greater than his or her corresponding Account under the Plan had the Plan been terminated immediately before the merger, consolidation or transfer.

Section 8.4 Errors and Misstatements

In the event of any misstatement or omission of fact by a Participant to the Administrator or any clerical error resulting in payment of benefits in an incorrect amount, the Administrator shall promptly cause the amount of future payments to be corrected upon discovery of the facts and shall cause the Company to pay the Participant or any other person entitled to payment under the Plan any underpayment in cash in a lump sum, or to recoup any overpayment from future payments to the Participant or any other person entitled to payment under the Plan in such amounts as the Administrator shall direct, or to proceed against the Participant or any other person entitled to payment under the Plan for recovery of any such overpayment.

Section 8.5 Payment on Behalf of Minor, Etc.

In the event any amount becomes payable under the Plan to a minor or a person who, in the sole judgment of the Administrator, is considered by reason of physical or mental condition to be unable to give a valid receipt therefor, the Administrator may direct that such payment be made to any person found by the Administrator in its sole judgment, to have assumed the care of such minor or other person. Any payment made pursuant to such determination shall constitute a full release and discharge of the Company, the Board, the Administrator, the Committee and their officers, directors and employees.

Section 8.6 Amendment of Plan

The Plan may be wholly or partially amended by the Board from time to time, in its sole and absolute discretion, including prospective amendments which apply to

amounts held in a Participant's Account as of the effective date of such amendment and including retroactive amendments necessary to conform to the provisions and requirements of ERISA or the Code or regulations pursuant thereto; provided, however, that no amendment shall decrease the amount of any Participant's Account as of the effective date of such amendment.

Section 8.7 No Funding

All benefits payable under the Plan will be paid from the general assets of the Company and no Participant or beneficiary shall have any claim against any specific assets of the Company.

Section 8.8 Governing Law

The Plan shall be construed, administered and governed in all respects under and by the laws of the State of California, except to the extent such laws may be preempted by ERISA.

Section 8.9 Pronouns and Plurality

The masculine pronoun shall include the feminine pronoun, and the singular the plural where the context so indicates.

Section 8.10 Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

Section 8.11 References

Unless the context clearly indicates to the contrary, a reference to a statute, regulation or document shall be construed as referring to any subsequently enacted, adopted or executed statute, regulation or document.

COMPUTER SCIENCES CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I

Purpose

The purpose of this Supplemental Executive Retirement Plan ("Supplemental Plan") is to provide retirement benefits to designated officers and key executives of Computer Sciences Corporation (the "Company") in addition to retirement benefits that may be payable under the Computer Sciences Corporation Employee Pension Plan, and in addition to any other retirement plan (other than the social security system to the extent provided herein) under which benefits may be payable with respect to such person.

It is intended that this Supplemental Plan be a plan "for a select group of management or highly compensated employees" as set forth in Section 201(2) of the Employee Retirement Income Security Act of 1974.

Benefits under this Supplemental Plan shall be payable solely from the general assets of the Company and no Participant or other person shall be entitled to look to any source for payment of such benefits other than the general assets of the Company.

ARTICLE II

Effective Date/Restatement Date

The Supplemental Plan was effective as of September 1, 1985. It is hereby amended and restated effective August 14, 1995.

ARTICLE III

Participants

No person shall be a Participant in this Supplemental Plan unless (a) such individual is specifically designated as such in a written instrument executed by the Chief Executive Officer of the Company (the "Chief Executive Officer"), and (b) such individual has consented to be governed by the terms of this Supplemental Plan by execution of a written instrument in form satisfactory to the Company.

A person shall cease to be a Participant in this Supplemental Plan in the event of (a) a Plan amendment having such effect, or (b) the occurrence of an event described in this Supplemental Plan which terminates such participation, or (c) the Chief Executive Officer notifies such person, in writing, of the discontinuance of

such person's participation pursuant to Article XVIII of this Supplemental Plan. In determining whether any person shall commence or cease to be a Participant herein, the Chief Executive Officer, acting in such capacity, shall have complete and unfettered discretion.

ARTICLE IV

Retirement Benefits

The amount of retirement benefit payable to each Participant upon Separation from Service (as defined in paragraph (d) below) shall be as determined in this Article IV.

(a) A Participant who is entitled to receive a benefit under the Computer Sciences Corporation Employee Pension Plan ("Pension Plan"), shall be entitled to receive his Excess Benefit under this Supplemental Plan upon being fully vested under the Pension Plan. The Excess Benefit is the additional monthly amount which the Participant would otherwise be entitled to receive under the Pension Plan as if the Participant had elected the normal form of life annuity payment option under the Pension Plan except for the limitations imposed by Sections 401(a)(17) and 415 of the Internal Revenue Code, as amended. In addition to the benefit described in this paragraph (a), a benefit as described in paragraph (b) following shall be payable to the Participant.

(b) Each Participant, upon Separation from Service on or after attainment of age sixty-two (62) (the "Retirement Date"), shall receive an amount as determined under this paragraph (b) which is payable monthly in the form of a life annuity. The amount payable shall be equal to one-twelfth (1/12) of fifty percent (50%) of the Participant's Average Base Salary Rate (as defined in paragraph (d) below) reduced by the amount determined under paragraph (c) below and, as applicable, paragraph (e) below.

(c) The amount determined under this paragraph (c) shall generally be equal to the primary social security benefit paid or payable to the Participant at the time benefits commence under this Supplemental Plan, whether or not the Participant is denied social security benefits because of other income or voluntarily forgoes social security income. However, where a Participant commences to receive benefits under this Supplemental Plan prior to the date that he is entitled to commence receiving social security benefits (currently age sixty-two (62)), his benefits under this Plan shall be reduced, by the amount of social security benefits it is estimated he would be entitled to receive monthly. The estimated social security benefit will be calculated based on the Participant's compensation through his Separation from Service date as though he were age sixty-two (62) on such date, and in accordance with social security rules in effect at the time of his Separation from Service. If the Participant has qualified for a special early separation benefit pursuant to paragraph (b) of Article V, then a five percent (5%)

annual reduction factor, with proportionate fractional reduction for periods of fewer than twelve (12) months, shall be applied to the estimated social security benefit for the period between the date of the Participant's Separation from Service and the date he is expected to attain age sixty-two (62). By way of example, if a Participant otherwise entitled to benefits commencing at age sixty-two (62) retires at age sixty (60) and qualifies for a special early separation benefit pursuant to paragraph (b) of Article V and the Participant's social security benefit is assumed to be \$8,000 a year at the projected age of sixty-two (62), then the estimated annual social security benefit determined under this paragraph (c) will be \$7,200, which is the \$8,000 reduced at 5% per year for two years, or 10% .

(d) The term "Base Salary Rate" means the annual salary rate of a Participant exclusive of overtime, bonus, incentive or any other type of special compensation. The term "Average Base Salary Rate" means the average of the highest three (3) of the last five (5) Base Salary Rates of a Participant which are the Base Salary Rates in effect on his Retirement Date and on the same day and month for each of the four (4) years (or the period of Continuous Service if fewer than four (4) years) immediately preceding the Retirement Date.

Unless otherwise determined in writing with respect to a Participant by the Chief Executive Officer, the term "Continuous Service" means the period of service without interruption of a person commencing as of the date of hire of such person by the Company or an Affiliate and ending on the date of separation from service for any reason from the Company and all Affiliates ("Separation from Service"). The term "Affiliate" means a corporation or other entity of which fifty-one percent (51%) or more of the capital stock or capital or profits interest (in the case of a noncorporate entity) is directly or indirectly owned by the Company. A medical leave of absence not exceeding twelve (12) months authorized by a Company written policy or any other leave of absence authorized by a Company written policy or approved in writing by the Chief Executive Officer shall not be deemed an interruption in Continuous Service or a Separation from Service.

In the event the Company acquires a corporation or other entity ("Acquisition"), and any employee of the Acquisition, by written determination of the Chief Executive Officer of the Company, becomes a Participant in the Supplemental Plan, such Participant's period of Continuous Service shall commence no sooner than the date the Acquisition becomes an Affiliate of the Company unless the Company's Chief Executive Officer otherwise determines and so confirms in writing.

(e) If upon Separation from Service on or after attaining age sixty-two (62), or upon the granting of a special early separation benefit pursuant to paragraph (b) of Article V, a Participant has fewer than twelve (12) years of Continuous Service, the benefit otherwise payable under this Supplemental Plan shall be proportionately reduced, except for the benefit payable under paragraph (a)

of this Article IV which shall not be reduced. By way of example, if a Participant otherwise entitled to benefits hereunder commencing at age sixty-two (62) has completed only ten (10) years of Continuous Service upon attainment of age sixty-two (62), such Participant's benefit shall be 10/12, or 83.33%, of the benefit otherwise payable hereunder.

Unless expressly determined to the contrary in writing by the Chief Executive Officer, no period of service completed by a person after attainment of age sixty-five (65) and no adjustment to any person's Base Salary Rate which occurs after attainment of age sixty-five (65) shall be taken into account in computing benefits hereunder.

ARTICLE V

Eligibility for Benefits

(a) Participants shall become eligible to commence receiving retirement benefits under this Supplemental Plan after Separation from Service on or after attaining age sixty-two (62) and such benefits shall be calculated in accordance with the provisions of Article IV. Except as otherwise provided in paragraph (a) of Article IV and in Articles VII, IX and X, no Participant in this Supplemental Plan shall have any vested interest in or right to receive a benefit hereunder until attainment of the age of sixty-two (62). Unless otherwise determined in writing by the Chief Executive Officer, any interruption in the Continuous Service of a Participant herein prior to the attainment of age sixty-two (62) shall terminate the participation in this Supplemental Plan of such Participant, and no benefit shall be payable to or with respect to such Participant.

(b) In the sole and unfettered discretion of the Chief Executive Officer, a Participant whose Separation from Service occurs prior to attainment of age sixty-two (62) may qualify for a special early separation benefit, payable monthly as calculated in accordance with the provisions of Article IV, except as follows:

(i) For purposes of determining the Participant's Base Salary Rate, the Average Base Salary Rate and the number of years of Continuous Service completed by the Participant, the Participant's date of Separation from Service shall apply instead of the date of the Participant's attainment of age sixty-two (62); and

(ii) For each twelve (12) month period by which the date of commencement of the Participant's benefit precedes the Participant's sixty-second (62nd) birthday, the benefit otherwise payable shall be reduced by five percent (5%), except for the benefit payable under paragraph (a) of Article IV which shall not be reduced. Proportionate fractional reduction shall be used for periods of fewer than twelve (12) months.

ARTICLE VI

Form of Benefit Payments

(a) Except as provided in Article VII, benefits payable based on the calculations in Article IV of this Supplemental Plan shall be paid monthly for the life-time of the Participant (unless an optional form is selected under paragraphs (b) or (c) of this Article VI). Upon the death of the Participant, benefits shall continue to be paid to the Participant's spouse for the lifetime of such spouse at the rate of fifty percent (50%) of Participant's benefit, provided certain conditions are met. The conditions of such Spousal Benefit are (1) that the spouse shall be married to the Participant as of the date of the Participant's Separation from Service and (2) the spouse shall be no more than five years younger than the Participant. In the event the spouse is more than five years younger than the Participant, the Participant may elect to receive benefit payments in the form of a joint and survivor option as described in paragraph (c) following.

(b) Any Participant, who before September 1, 1993 has commenced to receive benefits and has not made a written election to receive an annuity pursuant to paragraph (a) preceding or paragraph (c) following, shall be entitled to one hundred twenty (120) monthly benefit payments in the amount specified in paragraph (b) of Article IV preceding and a life annuity of the Excess Benefit as defined in paragraph (a) of Article IV preceding. If a Participant, who before September 1, 1993, has commenced to receive benefits and has not made a written election to receive an annuity pursuant to paragraph (a) preceding or paragraph (c) following, dies after Separation from Service and before receiving one hundred and twenty (120) monthly benefit payments, the remainder of the one hundred and twenty (120) monthly benefit payments shall be made to the Participant's designated beneficiary or, if no such beneficiary is then living or no such beneficiary can be located, to the Participant's estate. In the event a Participant has made a written election, prior to September 1, 1993, to receive an annuity pursuant to paragraph (a) preceding or paragraph (c) following, no benefit shall be payable under this paragraph (b), except that any Excess Benefit under the Pension Plan, as provided in paragraph (a) of Article IV, shall be payable at the rate of fifty percent (50%) thereof to the Participant's spouse.

(c) In the event that the Participant's spouse is more than five years younger than Participant, at any time prior to the later of September 1, 1993 or the commencement of benefits under this Supplemental Plan, a Participant may, in lieu of receiving benefits in the form described in paragraph (a) of this Article VI, elect to receive benefit payments under this Supplemental Plan in the form of a joint and survivor option providing monthly benefits for the lifetime of the Participant with a stipulated percentage of such amount continued after the Participant's death to the spouse to whom the Participant is married as of the date of the Participant's Separation from Service, for the lifetime of such spouse. The amount of monthly

payments available under this option shall be determined by reference to factors such as the Participant's life expectancy, the life expectancy of the Participant's spouse, prior benefits received under the Supplemental Plan, and the percentage of the Participant's monthly benefit which is continued after the Participant's death to the Participant's spouse, so that the value of the joint and survivor option is the actuarial equivalent of the benefits otherwise payable under paragraph (a) (or paragraph (b) if the Participant has elected coverage under paragraph (b) preceding) of this Article VI inclusive of the Participant and the spousal fifty percent (50%) survivor benefits, which shall be calculated assuming the Participant's spouse was exactly five years younger than Participant. In determining the monthly amount payable under the joint and survivor option with respect to any Participant, the Company may rely upon such information as it, in its sole discretion, deems reliable, including but not limited to, the opinion of an enrolled actuary or annuity purchase rates quoted by an insurance company licensed to conduct an insurance business in the State of California. The election of a joint and survivor option is irrevocable after benefit payments have commenced, and the monthly amount payable during the lifetime of the Participant shall in no event be adjusted by reason of the death of the Participant's spouse prior to the death of the Participant, or by reason of the dissolution of the marriage between the Participant and such spouse, or for any other reason.

ARTICLE VII

Pre-retirement Death Benefits

In the event of the death of a Participant hereunder during a period of Continuous Service and participation in this Supplemental Plan, the beneficiary or the spouse of the Participant shall be entitled to benefits as provided below in paragraphs (a) and (b):

(a) Participant's spouse shall be entitled to a fifty percent (50%) or the actuarial equivalent spousal benefit (as determined pursuant to Article VI, paragraphs (a) or (c), as applicable), attributable to Participant's Excess Benefit under the Pension Plan provided the Participant is entitled to receive a benefit under the Pension Plan.

(b) At the written election of the Participant, either a benefit under paragraph (i) below or a benefit under paragraph (ii) below shall be paid by the Company. Such election shall be signed by the Participant and notarized and, if the Participant is married at the time of election, the election must also be signed by the Participant's spouse and notarized. The latest election on file in the Company's records shall be controlling.

(i) A lump sum death benefit shall be payable by the Company to the Participant's designated beneficiary or, if no such beneficiary is then living or no such beneficiary can be located, to the Participant's estate.

The amount of such death benefit shall be two (2) times the Participant's Base Salary Rate in effect on the date of the Participant's death. On the written request of a beneficiary but subject to the approval in writing of the Chief Executive Officer, the amount payable under this paragraph (b)(i) may be paid to a beneficiary in monthly or other installments over a period not exceeding one hundred and twenty (120) months.

(ii) Participant's spouse shall receive a spousal fifty percent (50%) or the actuarial equivalent spousal benefit (as determined pursuant to Article VI, paragraphs (a) or (c), as applicable), as provided for in paragraph (a) preceding and in Article IV and Article VI. In the event a Participant is not married at the time of Participant's death and the Participant has elected the fifty percent (50%) spousal benefit, a lump sum death benefit shall be payable in accordance with paragraph (b)(i) preceding.

No benefits shall be payable under this Article VII if the Participant's death occurs as a result of an act of suicide within twenty-five (25) months after commencement of participation in this Supplemental Plan.

ARTICLE VIII

No Disability Benefits

No disability benefit is payable under this Supplemental Plan.

ARTICLE IX

Right to Amend, Modify, Suspend or Terminate Plan

By action of the Company's Board of Directors, the Company may amend, modify, suspend or terminate this Supplemental Plan without further liability to any employee or former employee or any other person. Notwithstanding the preceding sentence, this Supplemental Plan may not be amended, modified, suspended or terminated as to a Participant whose Separation from Service has occurred and who is entitled to receive or has commenced to receive benefits under this Supplemental Plan, without the express written consent of such Participant or, if deceased, such Participant's designated beneficiary or, if no beneficiary is then living or if no beneficiary can be located, such Participant's legal representative.

If within three (3) years following a Change in Control (as defined in Article X) this Supplemental Plan is amended, modified, suspended or terminated as to all Participants or as to any Participant who was a Participant prior to such Change in Control, such Participant(s) shall become fully vested in benefits accrued under this Supplemental Plan as of the date of such amendment, modification,

suspension or termination taking into account Continuous Service to such date and the Average Base Salary Rate of the Participant(s) as of such date. Upon any subsequent Separation from Service, such Participant(s) shall be entitled immediately to receive benefits under Articles IV, V, VI, VII and X, as applicable, as such Articles were in effect on the date of such Change in Control, without regard to the approval of the Chief Executive Officer or any other person(s).

ARTICLE X

Change in Control

The term "Change in Control" means, after the effective date of this Supplemental Plan, (a) the acquisition by any person, entity or group (as defined in Section 13(d)3 of the Securities Exchange Act of 1934, as amended) as beneficial owner, directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the then outstanding securities of the Company, or (b) a change during any period of two (2) consecutive years of a majority of the Board of Directors as constituted as of the beginning of such period, unless the election of each director who was not a director at the beginning of such period was approved by vote of at least two-thirds of the directors then in office who were directors at the beginning of such period, or (c) any other event constituting a change in control for purposes of Schedule 14A of Regulation 14A under the Securities Exchange Act of 1934.

In the event a Participant who was a Participant as of the date of a Change in Control either (a) has a voluntary Separation from Service for any reason (including the death of the Participant) more than twelve (12) full calendar months after, but within thirty-six (36) full calendar months following, such Change in Control, or (b) has an involuntary Separation from Service for any reason within thirty-six full calendar months following such Change in Control, such Participant shall be entitled to receive immediately upon such Separation from Service benefits hereunder in accordance with Articles IV, VI and VII, as applicable, without regard to approval by the Chief Executive Officer or any other person(s). Such benefits shall be calculated as if, on the date of such Separation from Service, the Participant (i) had completed a number of years of Continuous Service equal to the greater of twelve (12) or the actual number of years of his or her Continuous Service, and (ii) had attained an age equal to the greater of sixty-two (62) or his or her actual age.

ARTICLE XI

No Assignment

Benefits under this Supplemental Plan may not be assigned or alienated and shall not be subject to the claims of any creditor.

ARTICLE X11

Administration

This Supplemental Plan shall be administered by the Chief Executive Officer or by such other person or persons to whom the Chief Executive Officer may delegate functions hereunder. With respect to all matters pertaining to this Supplemental Plan, the determination of the Chief Executive Officer or his designated delegate shall be conclusive and binding. The Chief Executive Officer shall be eligible to participate in this Supplemental Plan in the same manner as any other employee; provided, however, that the designation of the Chief Executive Officer as a Participant and any other action provided herein with respect to the Chief Executive Officer's participation shall be taken by the Compensation Committee of the Board of Directors of the Company.

ARTICLE X111

Release

In connection with any benefit or benefit payment under this Supplemental Plan, or the designation of any beneficiary or any election or other action taken or to be taken under the Supplemental Plan by any Participant or any other person, the Company, acting through its Chief Executive Officer or his delegate, may require such consents or releases as are reasonable under the circumstances, and further may require any such designation, election or other action to be in writing and in form reasonably satisfactory to the Chief Executive Officer or his delegate.

ARTICLE XIV

No Waiver

The failure of the Company, the Chief Executive Officer or any other person acting on behalf thereof to demand a Participant or other person claiming rights with respect to a Participant to perform any act which such person is or may be required to perform hereunder shall not constitute a waiver of such requirement or a waiver of the right to require such act. The exercise of or failure to exercise any discretion reserved to the Company, its Chief Executive Officer or his delegate, to grant or deny any benefit to any Participant or other person under this Supplemental Plan shall in no way require the Company, its Chief Executive Officer or his delegate to similarly exercise or fail to exercise such discretion with respect to any other Participant.

ARTICLE XV

No Contract

This Supplemental Plan is strictly a voluntary undertaking on the part of the Company and shall not be deemed to constitute a contract or part of a contract between the Company (or an Affiliate) and any employee or other person, nor shall it be deemed to give any employee the right to be retained for any specified period of time in the employ of the Company (or an Affiliate) or to interfere with the right of the Company (or an Affiliate) to discharge or retire any employee at any time, nor shall this Supplemental Plan interfere with the right of the Company (or an Affiliate) to establish the terms and conditions of employment of any employee.

ARTICLE XVI

Indemnification

The Company shall defend, indemnify and hold harmless the Officers and Directors of the Company acting in their capacity as such (and not as Participants herein) from any and all claims, expenses and liabilities arising out of their actions or failure to act hereunder, excluding fraud or willful misconduct.

ARTICLE XVII

Claim Review Procedure

To the extent required by Section 503 of the Employee Retirement Income Security Act of 1974, a reasonable claim review procedure shall be established by the Company.

ARTICLE XVIII

Termination of Benefits and Participation

Prior, but only prior to a Change in Control, the retirement benefits payable to any Participant under this Supplemental Plan, and the participation of such Participant in this Supplemental Plan, may be terminated if in the judgment of the Chief Executive Officer, upon the advice of counsel, such Participant, directly or indirectly:

(a) breaches any obligation to the Company under any agreement relating to assignment of inventions, disclosure of information or data, or similar matters; or

(b) competes with the Company, or renders competitive services (as a director, officer, employee, consultant or otherwise) to, or owns more than a 5% interest in, any person or entity that competes with the Company; or

(c) solicits, diverts or takes away any person who is an employee of the Company or advises or induces any employee to terminate his or her employment with the Company; or

(d) solicits, diverts or takes away any person or entity that is a customer of the Company, or advises or induces any customer or potential customer not to do business with the Company; or

(e) discloses to any person or entity other than the Company, or makes any use of, any information relating to the technology, know-how, products, business or data of the Company or its subsidiaries, suppliers, licensors or customers, including but not limited to the names, addresses and special requirements of the customers of the Company.

CREDIT AGREEMENT

Dated as of September 6, 1995

CSC Enterprises, a Delaware general partnership (the "Partnership"), as a Borrower, Computer Sciences Corporation, a Nevada corporation (the "Corporation"), as a Borrower and as the Guarantor, the financial institutions (the "Banks") listed on the signature pages hereof, and Citicorp USA, Inc. ("CUSA"), as agent (the "Agent") for the Lenders hereunder, agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"A Advance" means an advance by a Lender to a Borrower as part of an A Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of A Advance.

"A Borrowing" means a borrowing consisting of A Advances of the same Type made on the same day to the same Borrower pursuant to the same Notice of A Borrowing by each of the Lenders pursuant to Section 2.01.

"Adjusted Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same A Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the respective Reference Bank's (or, in the case of Citibank, CUSA's) Eurodollar Rate Advance comprising part of such A Borrowing and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage. The Adjusted Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same A Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Advance" means an A Advance or a B Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or executive officer (as such term is used in Regulation S-K promulgated under the Securities Act of 1933, as amended) of such Person.

"Agreement" means this Credit Agreement, as this Credit Agreement may be amended, supplemented or otherwise modified from time to time.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance, and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a B Advance, the office of such Lender notified by such Lender to the Agent as its Applicable Lending Office with respect to such B Advance.

"Applicable Margin" means, for any period for which any interest payment is to be made with respect to any Eurodollar Rate Advance, the interest rate per annum derived by dividing (i) the sum of the Daily Margins for each of the days included in such period by (ii) the number of days included in such period.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit B hereto.

"B Advance" means an advance by a Lender to a Borrower as part of a B Borrowing resulting from the auction bidding procedure described in Section 2.03.

"B Borrowing" means a borrowing consisting of B Advances made on the same day to the same Borrower pursuant to the same Notice of B Borrowing by each of the Lenders whose offer to make one or more B Advances as part of such borrowing has been accepted by a Borrower under the auction bidding procedure described in Section 2.03.

"B Reduction" has the meaning specified in Section 2.01.

"Base Rate" means, for any period, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum of (A) 1/2 of one percent per annum plus (B) the rate obtained by dividing (x) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks (such three-week moving average being determined weekly by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank, in either case adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent), by (y) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirements for Citibank in respect of liabilities consisting of or including (among other liabilities) three-month nonpersonal time deposits of at least \$100,000), plus (C) the average during such three-week period of the daily net annual assessment rates estimated by Citibank for determining the current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation for insuring three-month deposits in the United States; or

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means an A Advance which bears interest as provided in Section 2.07(a).

"Borrower" means (i) the Partnership, or (ii) the Corporation, in the Corporation's capacity as a borrower hereunder, and "Borrowers" means both of them, together.

"Borrowing" means an A Borrowing or a B Borrowing.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Capital Expenditures" means, for any period, the expenditures (whether paid in cash or accrued as a liability) that are or are required to be included in "capital expenditures", "additions to property, plant or equipment" or comparable items in the consolidated statement of cash flows of the Corporation and its Subsidiaries.

"Capital Lease" means, with respect to any Person, any lease of any property by that Person as lessee which would, in conformity with GAAP, be required to be accounted for as a capital lease on the balance sheet of that Person.

"CBI" has the meaning specified in Section 4.01(n).

"Citibank" means Citibank, N.A.

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

"Commercial Paper" means commercial paper issued by the Partnership or the Corporation from time to time.

"Commitment" has the meaning specified in Section 2.01.

"Commitment Termination Date" means, with respect to any Lender, September 15, 1999, or such later date to which the Commitment Termination Date of such Lender may be extended from time to time pursuant to Section 2.16 (or if any such date is not a Business Day, the next preceding Business Day).

"Consolidated Gross Cash Flow" means, for any period, (i) the sum of (A) net income, plus (B) taxes on income, plus (C) net interest expense, plus (D) depreciation expense, plus (E) amortization expense of goodwill, financing costs and other intangibles, plus (F) extraordinary losses, plus (G) other non-cash charges to the extent deducted from net income, minus (ii) the sum of (A) extraordinary gains and (B) the aggregate amount of Capital Expenditures, all of the foregoing shall be on a consolidated basis for the Corporation and its Subsidiaries.

"Consolidated Interest Expense" means, for any period, consolidated total net interest expense in respect of Debt of the Corporation and its Subsidiaries.

"Consolidated Total Capitalization" means, as of any date of determination, the sum of (a) consolidated stockholders' equity of the Corporation and its Subsidiaries determined in accordance with GAAP and (b) Consolidated Total Debt.

"Consolidated Total Debt" means, as of any date of determination, all Debt of the Corporation and its Subsidiaries on a consolidated basis.

"Convert," "Conversion" and "Converted" each refers to a conversion of A Advances of one Type into A Advances of another Type pursuant to Section 2.09.

"Corporation" means Computer Sciences Corporation, a Nevada corporation, in its capacity as a Borrower hereunder, in its capacity as the Guarantor hereunder or both, as the context may require.

"CP Reduction" has the meaning specified in Section 2.01.

"CSC Partners" means those partners of the Partnership which are wholly-owned direct or indirect Subsidiaries of the Corporation.

"Daily Margin" means, for any date of determination, the interest rate per annum set forth in the table below that corresponds to (i) the Level applicable to such date of determination and (ii) the Utilization Ratio applicable to such date of determination:

	Daily Margin when Utilization Ratio is less than 0.50:1.00 -----	Daily Margin when Utilization Ratio is greater than or equal to 0.50:1.00 -----
Level 1	0.11%	0.21%
Level 2	0.15%	0.25%
Level 3	0.175%	0.275%
Level 4	0.25%	0.35%
Level 5	0.265%	0.365%

For purposes of this definition, (a) "Utilization Ratio" means, as of any date of determination, the ratio of (1) the aggregate outstanding principal amount of all Advances as of such date to (2) the aggregate amount of all Commitments in effect as of such date (whether used or unused and without giving effect to any B Reduction), (b) if any change in the Rating established by S&P or Moody's shall result in a change in the Level, the change in the Daily Margin shall be effective as of the date on which such rating change is publicly announced (in the case of a public rating) or is disclosed to the Corporation (in the case of a private rating), (c) if Ratings are unavailable from both S&P and Moody's for any reason for any day, then the applicable Level for such day shall be deemed to be Level 5 (or, if the Majority Lenders consent in writing, such other Level as may be reasonably determined by the Majority Lenders from a rating with respect to Long-Term Debt or the Corporation for such day established by another rating agency reasonably acceptable to the Majority Lenders) and (d) if a Rating is not available from S&P or Moody's (but not both) for any reason for any day, then the applicable Level shall be set by reference to the Rating of S&P or Moody's that is available for such day.

"Debt" means, with respect to any Person, (i) indebtedness of such Person for borrowed money, (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations of such Person to pay the deferred purchase price of property or services, excluding trade payables or accrued expenses arising in the ordinary course of business, (iv) obligations of such Person as lessee under Capital Leases, and (v) obligations of such Person under direct or indirect guaranties in respect of, and obligations of such Person (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iv) above, provided that "Debt" shall not include borrowings against the cash surrender value of life insurance policies covering employees of Borrowers or their Affiliates and owned by the Corporation or the Partnership so long as (x) recourse for such borrowings is limited to such policies and the proceeds thereof and (y) any value assigned to such policies on the consolidated financial statements of the Corporation and its Subsidiaries is net of the amount of such borrowings.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Agent.

"Effective Date" means September 6, 1995, so long as the conditions precedent set forth in Section 3.01 have been satisfied.

"Eligible Assignee" means any financial institution or entity engaged in the business of extending revolving credit approved in writing by the Borrowers and the Agent as an Eligible Assignee for purposes of this Agreement, provided that the Borrowers' and the Agent's approval shall not be unreasonably withheld, and provided further that no such approval shall be required in the case of an assignment by a Bank to an Affiliate of such Bank.

"Environmental Law" means any and all statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions of any federal, state or local governmental authority within the United States or any State or territory thereof and which relate to the environment or the release of any materials into the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person who for purposes of Title IV of ERISA is a member of either Borrower's controlled group, or under common control with such Borrower, within the meaning of Section 414 of the Code and the regulations promulgated and rulings issued thereunder.

"ERISA Event" means (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC; (ii) the provision by the administrator of any Pension Plan of a notice of intent to terminate such Pension Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (iii) the cessation of operations at a facility in the circumstances described in Section 4062(e) of ERISA; (iv) the withdrawal by either Borrower or an ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (v) the failure by either Borrower or any ERISA Affiliate to make a payment to a Pension Plan required under Section 302(f)(1) of ERISA, which Section imposes a lien for failure to make required payments; (vi) the adoption of an amendment to a Pension Plan requiring the provision of security to such Pension Plan, pursuant to Section 307 of ERISA; or (vii) the institution by the PBGC of proceedings to terminate a Pension Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which, in the reasonable judgment of either Borrower, might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Pension Plan.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Agent.

"Eurodollar Rate Advance" means an A Advance which bears interest as provided in Section 2.07(b).

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for any Eurodollar Rate Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from

time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirements (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Existing Credit Agreements" means the Existing Long Term Facility Credit Agreement and the Existing Short Term Facility Credit Agreement.

"Existing Long Term Facility Credit Agreement" means the Credit Agreement (Long Term Facility) dated as of September 15, 1994, among the Partnership, the Corporation, the lenders party thereto and CUSA, as agent for such lenders.

"Existing Short Term Facility Credit Agreement" means the Credit Agreement (Short Term Facility) dated as of September 15, 1994, among the Partnership, the Corporation, the lenders party thereto and CUSA, as agent.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

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

"Guarantied Obligations" has the meaning assigned to that term in Section 8.01.

"Guarantor" means the Corporation, in its capacity as the guarantor hereunder.

"Guaranty" shall have the meaning set forth in Section 8.01.

"Insufficiency" means, with respect to any Pension Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same A Borrowing, the period commencing on the date of such Eurodollar Rate Advance, or on the date of continuation of such Advance as a Eurodollar Rate Advance upon expiration of successive Interest Periods applicable thereto, or on the date of Conversion of a Base Rate Advance into a Eurodollar Rate Advance, and ending on the last day of the period selected by the applicable Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the applicable Borrower may select in the Notice of Borrowing or the Notice of Conversion/Continuation for such Advance; provided, however, that:

(i) a Borrower may not select any Interest Period which ends after the earliest Commitment Termination Date of any Lender then in effect;

(ii) Interest Periods commencing on the same date for A Advances comprising part of the same A Borrowing shall be of the same duration; and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

"Lenders" means the Banks listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 9.07.

"Level" means Level 1, Level 2, Level 3, Level 4 or Level 5, as the case may be.

"Level 1" means that, as of any date of determination, the higher of the Ratings is equal to or better than A+ or A1, as applicable, as of such date of determination.

"Level 2" means that, as of any date of determination, the higher of the Ratings is equal to A or A2, as applicable, as of such date of determination.

"Level 3" means that, as of any date of determination, the higher of the Ratings is equal to A- or A3, as applicable, as of such date of determination.

"Level 4" means that, as of any date of determination, the higher of the Ratings is equal to or lower than BBB+ or Baa1, as applicable, as of such date of determination.

"Level 5" means that, as of any date of determination, the only Rating is a private rating and the Corporation will not authorize the applicable rating agency to make such Rating available to the Agent and the Lenders.

"Lien" means any lien, mortgage, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement and any lease in the nature thereof).

"Long-Term Debt" means senior, unsecured, long term debt securities of the Corporation.

"Majority Lenders" means at any time Lenders holding at least 66-2/3% of the then aggregate unpaid principal amount of the A Advances held by Lenders, or, if no such principal amount is then outstanding, Lenders having at least 66-2/3% of the Commitments (provided that, for purposes hereof, neither a Borrower, nor any of its Affiliates, if a Lender, shall be included in (i) the Lenders holding such amount of the A Advances or having such amount of the Commitments or (ii) determining the aggregate unpaid principal amount of the A Advances or the total Commitments).

"Managing Partner" means CSC Enterprises, Inc., a Nevada corporation and an indirect wholly-owned Subsidiary of the Corporation.

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

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which either Borrower or any ERISA Affiliate of such Borrower is making, or is obligated to make, contributions or has within any of the preceding six plan years been obligated to make or accrue contributions.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, which (i) is maintained for employees of either Borrower or an ERISA Affiliate and at least one Person other than such Borrower and its ERISA Affiliates or (ii) was so maintained and in respect of which either Borrower or an ERISA Affiliate could have liability under Section 4063, 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Non-Hostile Acquisition" means an acquisition (whether by purchase of capital stock or assets, merger or otherwise) which has been approved by resolutions of the Board of Directors of the Person being acquired or by similar action if the Person is not a corporation and as to which such approval has not been withdrawn.

"Notice of A Borrowing" has the meaning specified in Section 2.02(a).

"Notice of a B Borrowing" has the meaning specified in Section 2.03(a).

"Notice of Borrowing" means the Notice of A Borrowing or the Notice of B Borrowing or both, as the context may require.

"Notice of Conversion/Continuation" has the meaning specified in Section 2.09.

"Partnership" means CSC Enterprises, a Delaware general partnership, in its capacity as a Borrower hereunder.

"Payment in full", "paid in full" or any similar term, as used in Article VIII hereof, means payment in full of the Guaranteed Obligations including, without limitation, all principal, interest, costs, fees and expenses (including, without limitation, legal fees and expenses) of Lenders and Agent as required hereunder.

"PBGC" means the U.S. Pension Benefit Guaranty Corporation.

"Pension Plan" means a Single Employer Plan or a Multiple Employer Plan or both.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Potential Event of Default" means a condition or event which, after notice or lapse of time or both, would constitute an Event of Default if that condition or event were not cured or removed within any applicable grace or cure period.

"Processing Agreement" has the meaning specified in Section 4.01(n).

"Rating" means a public or private rating established by S&P or Moody's with respect to the Long-Term Debt or, if there is no Long-Term Debt outstanding, a private rating established by S&P or Moody's with respect to the Corporation.

"Reference Banks" means, Chemical Bank, Citibank and Morgan Guaranty Trust Company of New York.

"Register" has the meaning specified in Section 9.07(c).

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

"SEC" means the Securities and Exchange Commission and any successor agency.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, which (i) is maintained for employees of either Borrower or any ERISA Affiliate and no Person other than such Borrower and its ERISA Affiliates or (ii) was so maintained and in respect of which either Borrower or an ERISA Affiliate could have liability under Section 4062 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which at least 50% of the total voting power of shares of stock or other securities entitled to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"Termination Date" means, with respect to any Lender, the earlier of (i) the Commitment Termination Date of such Lender and (ii) the date of termination in whole of the Commitments of all Lenders pursuant to Section 2.05 or 6.01.

"Type" means, with reference to an A Advance, a Base Rate Advance or a Eurodollar Rate Advance.

"Withdrawal Liability" has the meaning given such term under Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) or Section 4.02(e), as the case may be. All computations determining compliance with financial covenants or terms, including definitions used therein, shall be prepared in accordance with generally accepted accounting principles in effect at the time of the preparation of, and in conformity with those used to prepare, the historical financial statements delivered to the Lenders pursuant to Section 4.01(e) or Section 4.02(e), as the case may be. If at any time the computations for determining compliance with financial covenants or provisions relating thereto utilize generally accepted accounting principles different than those then being utilized in the financial statements being delivered to the Lenders, such financial statements shall be accompanied by a reconciliation statement.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The A Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make A Advances to either Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date of such Lender in an aggregate amount (together with the aggregate amount of A Advances made to the other Borrower that is outstanding at such time) not to exceed at any time outstanding the amount set opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Agent pursuant to Section 9.07(c), as such amount may be reduced pursuant to Section 2.05 (such Lender's "Commitment"), provided that (a) the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the B Advances then outstanding and at any time of determination, such deemed use of the aggregate amount of the Commitments shall be applied to the Lenders ratably according to their respective Commitments in effect at such time of determination (such deemed use of the

aggregate amount of the Commitments being a "B Reduction") and (b) the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate principal amount of Commercial Paper outstanding (such deemed use of the aggregate amount of the Commitments being a "CP Reduction"), provided that the Commitments of the Lenders shall not be deemed to be so used under this clause (b) (and therefore the Commitments shall not be reduced by a CP Reduction) in the case of any requested Borrowing the proceeds of which are used to repay Commercial Paper. Each A Borrowing shall be in an aggregate amount not less than \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of A Advances of the same Type made on the same day to the same Borrower by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, each Borrower may from time to time borrow, prepay pursuant to Section 2.06(d) and reborrow under this Section 2.01.

SECTION 2.02. Making the A Advances. (a) Each A Borrowing shall be made on notice, given not later than (x) 10:00 A.M. (New York City time) on the date of a proposed A Borrowing consisting of Base Rate Advances and (y) 12:00 noon (New York City time) on the third Business Day prior to the date of a proposed A Borrowing consisting of Eurodollar Rate Advances, by the Borrower requesting the proposed A Borrowing to the Agent, which shall give to each Lender prompt notice thereof by telecopier, telex or cable. Each such notice of an A Borrowing (a "Notice of A Borrowing") shall be by telecopier, telex or cable, confirmed immediately in writing, in substantially the form of Exhibit A-1 hereto, specifying therein the requested (i) date of such A Borrowing, (ii) Type of A Advances comprising such A Borrowing, (iii) aggregate amount of such A Borrowing, and (iv) in the case of an A Borrowing comprised of Eurodollar Rate Advances, the initial Interest Period for each such A Advance. A Borrower may, subject to the conditions herein provided, borrow more than one A Borrowing on any Business Day. Each Lender shall, before 1:00 P.M. (New York City time) in the case of a Borrowing consisting of Base Rate Advances and before 11:00 A.M. (New York City time) in the case of a Borrowing consisting of Eurodollar Rate Advances, in each case on the date of such A Borrowing, make available for the account of its Applicable Lending Office to the Agent at its address referred to in Section 9.02, in same day funds, such Lender's ratable portion of such A Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower requesting the proposed A Borrowing at the Agent's aforesaid address.

(b) Anything in subsection (a) above to the contrary notwithstanding,

(i) a Borrower may not select Eurodollar Rate Advances for any A Borrowing or with respect to the Conversion or continuance of any A Borrowing if the aggregate amount of such A Borrowing or such Conversion or continuance is less than \$5,000,000;

(ii) there shall be no more than five Interest Periods relating to Eurodollar Rate Advances outstanding at any time;

(iii) if any Lender shall, at least one Business Day before the date of any requested A Borrowing, notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, the Commitment of such Lender to make Eurodollar Rate Advances or to Convert all or any portion of Base Rate Advances shall forthwith be suspended until the Agent shall notify the Borrowers that such Lender has determined that the circumstances causing such suspension no longer exist and such Lender's then outstanding Eurodollar Rate Advances, if any, shall be Base Rate Advances; to the extent that such affected Eurodollar Rate Advances become Base Rate Advances, all payments of principal that would have been otherwise applied to such Eurodollar Rate Advances shall be applied instead to such Lender's Base Rate Advances; provided that if Majority Lenders are subject to the same illegality or assertion of illegality, then the right of a Borrower to select Eurodollar Rate Advances for such A Borrowing or any subsequent A Borrowing or to Convert all or any portion of Base Rate Advances shall forthwith be suspended until the Agent shall

notify the Borrowers that the circumstances causing such suspension no longer exist, and each A Advance comprising such A Borrowing shall be a Base Rate Advance;

(iv) if fewer than two Reference Banks furnish timely information to the Agent for determining the Adjusted Eurodollar Rate for any Eurodollar Rate Advances comprising any requested A Borrowing, the right of a Borrower to select Eurodollar Rate Advances for such A Borrowing or any subsequent A Borrowing shall be suspended until the Agent shall notify the Borrowers and the Lenders that the circumstances causing such suspension no longer exist, and each A Advance comprising such A Borrowing shall be made as a Base Rate Advance; and

(v) if the Majority Lenders shall, at least one Business Day before the date of any requested A Borrowing, notify the Agent that the Adjusted Eurodollar Rate for Eurodollar Rate Advances comprising such A Borrowing will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such A Borrowing, the right of a Borrower to select Eurodollar Rate Advances for such A Borrowing or any subsequent A Borrowing shall be suspended until the Agent shall notify the Borrowers and the Lenders that the circumstances causing such suspension no longer exist, and each A Advance comprising such A Borrowing shall be made as a Base Rate Advance.

(c) Each Notice of A Borrowing shall be irrevocable and binding on the Borrower requesting the proposed A Borrowing. In the case of any A Borrowing which the related Notice of A Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower requesting the proposed A Borrowing shall indemnify each Lender against any loss, cost or expense incurred by such Lender by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the A Advance to be made by such Lender as part of such A Borrowing or by reason of the termination of hedging or other similar arrangements, in each case when such A Advance is not made on such date, including without limitation, as a result of any failure to fulfill on or before the date specified in such Notice of A Borrowing for such A Borrowing the applicable conditions set forth in Article III.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any A Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such A Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such A Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower requesting the proposed A Borrowing on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and such Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Agent, at (i) in the case of such Borrower, the interest rate applicable at the time to A Advances comprising such A Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's A Advance as part of such A Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the A Advance to be made by it as part of any A Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its A Advance on the date of such A Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the A Advance to be made by such other Lender on the date of any A Borrowing.

SECTION 2.03. The B Advances. (a) Each Lender severally agrees that either Borrower may make B Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 30 days prior to the latest Commitment Termination Date of any Lender then in effect in the manner set forth below; provided that, (i) following the making of each B Borrowing, (1) the aggregate amount of the Advances then outstanding to both Borrowers shall not exceed the aggregate amount of the Commitments of the Lenders then in effect (computed without regard to any B Reduction), and (2) the

aggregate amount of the B Advances scheduled to be outstanding to both Borrowers at any time through the maturity of such B Advances shall not exceed the aggregate amount of the Commitments of the Lenders scheduled to be in effect at such time (computed without regard to any B Reduction), and (ii) no Lender may make a B Advance if the maturity date of such B Advance occurs after the Commitment Termination Date of such Lender.

(i) Either Borrower may request a B Borrowing under this Section 2.03 by delivering to the Agent, by telecopier, telex or cable, confirmed immediately in writing, a notice of a B Borrowing (a "Notice of B Borrowing"), in substantially the form of Exhibit A-2 hereto, specifying the date and aggregate amount of the proposed B Borrowing, the maturity date for repayment of each B Advance to be made as part of such B Borrowing (which maturity date (x) in the case of a fixed rate B Borrowing may not be earlier than the date occurring 14 days after the date of such B Borrowing or later than the date occurring 180 days after the date of such B Borrowing, and (y) in the case of any other B Borrowing may not be earlier than the date occurring 30 days after the date of such B Borrowing or later than the date occurring 180 days after the date of such B Borrowing), the interest payment date or dates relating thereto, and any other terms to be applicable to such B Borrowing, not later than 11:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed B Borrowing, if such Borrower shall specify in the Notice of B Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum and (B) at least four Business Days prior to the date of the proposed B Borrowing, if such Borrower shall instead specify in the Notice of B Borrowing the basis to be used by the Lenders in determining the rates of interest to be offered by them. A Borrower may not select a maturity date for any B Borrowing which ends after the latest Commitment Termination Date of any Lender then in effect. The Agent shall in turn promptly notify each Lender of each request for a B Borrowing received by it from a Borrower by sending such Lender a copy of the related Notice of B Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more B Advances to such Borrower as part of such proposed B Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Agent (which shall give prompt notice thereof to such Borrower), before 11:00 A.M. (New York City time) (A) on the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (A) of paragraph (i) above and (B) three Business Days before the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (B) of paragraph (i) above, of the minimum amount and maximum amount of each B Advance which such Lender would be willing to make as part of such proposed B Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such B Advance; provided that if the Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify such Borrower of such offer before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any B Advance as part of such B Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any B Advance as part of such proposed B Borrowing.

(iii) Such Borrower shall, in turn, (A) before 12:00 noon (New York City time) on the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (A) of paragraph (i) above and (B) before 1:00 P.M. (New York City time) three Business Days before the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (B) of paragraph (i) above, either

(x) cancel such B Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above (which acceptance shall be irrevocable) in its sole discretion, by giving notice to the Agent of the amount of each B Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to such Borrower by the Agent on behalf of such Lender for such B Advance pursuant to paragraph (ii) above) to be made by each Lender as part of such B Borrowing (provided that the aggregate amount of such B Borrowing shall not exceed the amount specified on the Notice of B Borrowing delivered by such Borrower pursuant to paragraph (i) above), and reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Agent notice to that effect; provided that acceptance of offers may only be made on the basis of ascending rates for B Borrowings of the same type and duration for up to the maximum amounts offered by Lenders; and provided further that if offers are made by two or more Lenders for the same type of B Borrowing for the same duration and with the same rate of interest, in an aggregate amount which is greater than the amount requested, such offers shall be accepted on a pro rata basis based on the maximum amounts offered by such Lenders at such rate of interest.

(iv) If such Borrower notifies the Agent that such B Borrowing is cancelled pursuant to paragraph (iii)(x) above or if such Borrower rejects any offers made by Lenders pursuant to paragraph (iii)(y) above, the Agent shall give prompt notice thereof to the Lenders or affected Lenders, as the case may be, and in the case of a cancellation, such B Borrowing shall not be made.

(v) If such Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such B Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by such Borrower, (B) each Lender that is to make a B Advance as part of such B Borrowing, of the amount of each B Advance to be made by such Lender as part of such B Borrowing, and (C) each Lender that is to make a B Advance as part of such B Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a B Advance as part of such B Borrowing shall, before 1:00 P.M. (New York City time) on the date of such B Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at its address referred to in Section 9.02 such Lender's portion of such B Borrowing, in same day funds. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such funds available to such Borrower at the Agent's aforesaid address. Promptly after each B Borrowing, the Agent will notify each Lender of the amount of the B Borrowing, the consequent B Reduction and the dates upon which such B Reduction commenced and will terminate.

(vi) Each Borrower agrees to pay to the Agent for the Agent's account an auction fee of \$2,500 for each Notice of B Borrowing delivered by such Borrower to the Agent pursuant to this Section 2.03(a), whether or not a B Borrowing is made pursuant thereto.

(b) Each B Borrowing shall be in an aggregate amount not less than \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and, following the making of each B Borrowing, the Borrowers and each Lender shall be in compliance with the limitations set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, either Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03, and more than one B Borrowing may be made on a Business Day; provided that,

except for B Borrowings made on the same Business Day, a B Borrowing shall not be made within three Business Days of the date of any other B Borrowing.

(d) Each Borrower shall repay to the Agent for the account of each Lender which has made a B Advance to such Borrower, on the maturity date of each B Advance made to such Borrower (such maturity date being that specified by such Borrower for repayment of such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above), the then unpaid principal amount of such B Advance. Neither Borrower shall have any right to prepay any principal amount of any B Advance unless, and then only on the terms, specified by such Borrower for such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above.

(e) Each Borrower shall pay interest on the unpaid principal amount of each B Advance made to such Borrower from the date of such B Advance to the date the principal amount of such B Advance is repaid in full, at the rate of interest for such B Advance specified by the Lender making such B Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by such Borrower for such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above; provided that any principal amount of any B Advance which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to (A) until the stated maturity date of such B Advance, the greater of (x) 2% per annum above the Base Rate in effect from time to time and (y) 2% above the stated rate per annum of such B Advance, and (B) after the stated maturity of such B Advance, 2% per annum above the Base Rate in effect from time to time.

(f) Subject to the obligations of the Guarantor under the Guaranty, neither Borrower shall have any obligation to repay to any Lender any B Advance made by such Lender to the other Borrower or to pay any interest on any B Advance made by such Lender to the other Borrower.

SECTION 2.04. Facility Fees. The Borrowers jointly and severally agree to pay to the Agent for the account of each Lender a facility fee on the amount of such Lender's Commitment (or if no Commitment is in effect, Advances), whether used or unused and without giving effect to any CP Reduction or B Reduction, from the date hereof in the case of each Bank and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date of such Lender, payable in arrears on the last day of each March, June, September and December during the term of such Lender's Commitment, commencing September 30, 1995, and on the Termination Date of such Lender, in an amount equal to the product of (i) the average daily amount of such Lender's Commitment (whether used or unused and without giving effect to any B Reduction or CP Reduction) in effect during the period for which such payment that is to be made times (ii) the weighted average rate per annum that is derived from the following rates: (a) a rate of 0.09% per annum with respect to each day during such period that the higher of the Ratings was Level 1, (b) a rate of 0.10% per annum with respect to each day during such period that the higher of such Ratings was Level 2, (c) a rate of 0.125% per annum with respect to each day during such period that the higher of such Ratings was Level 3, (d) a rate of 0.15% per annum with respect to each day during such period that the higher of such Ratings was Level 4 and (e) a rate of 0.185% per annum with respect to each day during such period to which Level 5 applies. If any change in the Rating shall result in a change in the Level, the change in the facility fee shall be effective as of the date on which such rating change is publicly announced (in the case of a public rating) or is disclosed to the Corporation (in the case of a private rating). If Ratings are unavailable from both S&P or Moody's for any reason for any day, then the applicable Level for purposes of calculating the facility fee for such day shall be deemed to be Level 5 (or, if the Majority Lenders consent in writing, such other Level as may be reasonably determined by the Majority Lenders from a rating with respect to Long-Term Debt or the Corporation for such day established by another rating agency reasonably acceptable to the Majority Lenders). If no Rating is available from S&P or Moody's (but not both) for any reason for any day, then the applicable Level shall be set by reference to the Rating of S&P or Moody's that is available for such day.

SECTION 2.05. Termination and Reduction of the Commitments.

(a) Mandatory Termination. In the event that a mandatory prepayment in full of the A Advances is required by Section 2.06(b), the Commitments of the Lenders shall immediately terminate.

(b) Optional Reductions. The Borrowers shall have the right, upon at least four Business Days' notice to the Agent by both Borrowers, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount which is less than the sum of (i) the aggregate principal amount of the Advances then outstanding and (ii) the aggregate principal amount of Commercial Paper then outstanding, and provided, further, that each partial reduction shall be in the aggregate amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof.

SECTION 2.06. Repayment and Prepayment of A Advances.

(a) Mandatory Repayment on Termination Date. Each Borrower shall repay the outstanding principal amount of each A Advance made by each Lender to such Borrower on the Termination Date of such Lender.

(b) Mandatory Prepayment in Certain Events. If any one of the following events shall occur:

(i) Representatives of CSC Partners shall cease to constitute a majority of the Partnership's Partnership Committee (or similar body which may replace such Partnership Committee) or the rights and powers of such Partnership Committee shall be materially diminished in a manner such that the Partnership's Partnership Committee (or similar body which may replace such Partnership Committee) shall cease to have substantially the same ability to control the operations or policies of the Partnership as it has on the date hereof; or

(ii) CSC Enterprises, Inc. shall cease to be the Managing Partner (unless the successor Managing Partner is a Subsidiary of the Corporation of which the Corporation owns at least 80% of the voting stock) or, if CSC Enterprises, Inc. is the Managing Partner of the Partnership, the Corporation shall cease to own, directly or indirectly, at least 80% of the voting stock of CSC Enterprises, Inc., or the rights and powers of the Managing Partner shall be materially diminished in a manner such that the Managing Partner shall cease to have substantially the same ability to control the operations or policies of the Partnership as it has on the date hereof; or

(iii) The Partnership shall transfer a majority of its assets to any Person other than the Corporation or one or more Subsidiaries of the Corporation of which the Corporation owns at least 80% of the voting stock; or

(iv) The Corporation shall cease to directly or indirectly (through its Subsidiaries of which it owns at least 80% of the voting stock) own more than 50% of the outstanding partnership interest of the Partnership;

then, and in any such event, the Partnership shall immediately prepay in full the A Advances made to the Partnership, and shall immediately make an offer to all Lenders which have made B Advances to the Partnership to prepay such B Advances, and shall immediately prepay in full the B Advances of all Lenders accepting such offer, and in the case of all Advances so prepaid the Partnership will pay interest accrued to the date of prepayment and will reimburse the Lenders in respect thereof pursuant to Section 9.04(b).

(c) Mandatory Prepayment Due to Reductions of Commitments. Each Borrower shall from time to time prepay the A Advances made to such Borrower or repay Commercial Paper issued by such Borrower,

in each case to the extent necessary so that the sum of the aggregate principal amount of the Advances and the aggregate principal amount of Commercial Paper then outstanding does not exceed the aggregate amount of the Commitments of the Lenders then in effect (computed without regard to any CP Reduction or B Reduction).

(d) Voluntary Prepayments of A Borrowings. Neither Borrower shall have any right to prepay any principal amount of any A Advances other than as provided in this subsection (d). Each Borrower may, upon at least one Business Day's notice to the Agent in the case of Base Rate Advances and at least three Business Days' notice to the Agent in the case of Eurodollar Rate Advances stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given such Borrower shall, prepay the outstanding principal amounts of the Advances made to such Borrower comprising part of the same A Borrowing in whole or ratably in part; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than \$5,000,000 and integral multiples of \$1,000,000 in excess thereof and (y) in the case of any such prepayment of any Eurodollar Rate Advance, such Borrower shall pay all accrued interest to the date of such prepayment on the portion of such Eurodollar Rate Advance being prepaid and shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 9.04(b).

(e) Certain Obligations Several. Subject to the obligations of the Guarantor under the Guaranty, neither Borrower shall have any obligation to repay to any Lender any A Advance made by such Lender to the other Borrower or to pay any interest on any A Advance made by such Lender to the other Borrower.

SECTION 2.07. Interest on A Advances. Each Borrower shall pay interest accrued on the principal amount of each A Advance that was made to such Borrower outstanding from time to time from the date of such A Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances. If such A Advance is a Base Rate Advance, a rate per annum equal at all times to the Base Rate in effect from time to time, payable in arrears on the last day of each March, June, September and December during the term of this Agreement, commencing September 30, 1995, and on the Termination Date of the applicable Lender; provided that any amount of principal, interest, fees and other amounts payable under this Agreement (including, without limitation, the principal amount of Base Rate Advances, but excluding the principal amount of Eurodollar Rate Advances and B Advances) which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to 2% per annum above the Base Rate in effect from time to time.

(b) Eurodollar Rate Advances. If such A Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during the Interest Period for such A Advance to the sum of the Adjusted Eurodollar Rate for such Interest Period plus the Applicable Margin, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on the day which occurs during such Interest Period three months from the first day of such Interest Period; provided that any principal amount of any Eurodollar Rate Advance which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to (A) during the Interest Period applicable to such Eurodollar Rate Advance, the greater of (x) 2% per annum above the Base Rate in effect from time to time and (y) 2% per annum above the rate per annum required to be paid on such amount immediately prior to the date on which such amount became due and (B) after the expiration of such Interest Period, 2% per annum above the Base Rate in effect from time to time.

SECTION 2.08. Interest Rate Determination. (a) Each Reference Bank agrees to furnish to the Agent timely information for the purpose of determining each Adjusted Eurodollar Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks, subject to Section 2.02(b)(iv).

(b) The Agent shall give prompt notice to the Borrowers and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07(a) or 2.07(b), and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining the applicable interest rate under Section 2.07(b).

SECTION 2.09. Voluntary Conversion or Continuation of A Advances.

(a) Each Borrower may on any Business Day, upon notice given to the Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed Conversion or continuance (a "Notice of Conversion/Continuation") and subject to the provisions of Section 2.02(b), (1) Convert all Advances of one Type comprising the same A Borrowing made to such Borrower into A Advances of another Type and (2) upon the expiration of any Interest Period applicable to A Advances which are Eurodollar Rate Advances made to such Borrower, continue all (or, subject to Section 2.02(b), any portion of) such A Advances as Eurodollar Rate Advances and the succeeding Interest Period(s) of such continued A Advances shall commence on the last day of the Interest Period of the A Advances to be continued; provided, however, that any Conversion of any Eurodollar Rate Advances into A Advances of another Type shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances. Each such Notice of Conversion/Continuation shall, within the restrictions specified above, specify (i) the date of such continuation or Conversion, (ii) the A Advances (or, subject to Section 2.02(b), any portion thereof) to be continued or Converted, (iii) if such continuation is of, or such Conversion is into, Eurodollar Rate Advances, the duration of the Interest Period for each such A Advance and (iv) that no Potential Event of Default or Event of Default has occurred and is continuing.

(b) If upon the expiration of the then existing Interest Period applicable to any A Advance which is a Eurodollar Rate Advance made to either Borrower, such Borrower shall not have delivered a Notice of Conversion/Continuation in accordance with this Section 2.09, then such Advance shall upon such expiration automatically be Converted to a Base Rate Advance.

(c) After the occurrence of and during the continuance of a Potential Event of Default or an Event of Default, a Borrower may not elect to have an A Advance be made or continued as, or Converted into, a Eurodollar Rate Advance after the expiration of any Interest Rate then in effect for that A Advance.

SECTION 2.10. Increased Costs. (a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements in the case of Eurodollar Rate Advances included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances made to either Borrower, then such Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A reasonably detailed certificate as to the amount and manner of calculation of such increased cost, submitted to such Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrowers shall immediately pay, jointly and severally, to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A reasonably detailed certificate as to such amounts and the manner of calculation thereof submitted to the Borrowers and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

(c) If a Lender shall change its Applicable Lending Office, such Lender shall not be entitled to receive any greater payment under Sections 2.10 and 2.12 than the amount such Lender would have been entitled to receive if it had not changed its Applicable Lending Office, unless such change was made at the request of a Borrower or at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 2.11. Payments and Computations. (a) Each Borrower shall make each payment hereunder not later than 1:00 P.M. (New York City time) on the day when due in U.S. dollars to the Agent at its address referred to in Section 9.02 in same day funds. Subject to the immediately succeeding sentence, the Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees ratably (other than amounts payable pursuant to Section 2.03, 2.10 or 2.12 or, to the extent the Termination Date is not the same for all Lenders, pursuant to Section 2.06(a)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of principal or interest paid after an Event of Default and an acceleration or a deemed acceleration of amounts due hereunder, the Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest ratably in accordance with each Lender's outstanding A Advances and B Advances (other than amounts payable pursuant to Section 2.10 or 2.12) to the Lenders for the account of their respective Applicable Lending Offices. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 9.07(d), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest based on the Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Adjusted Eurodollar Rate or the Federal Funds Rate and of facility fees shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or such fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fee, as the case may be; provided, however, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Lenders hereunder that such Borrower will not make such payment in full, the Agent may assume that such Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that such Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.12. Taxes. (a) Any and all payments by a Borrower hereunder shall be made, in accordance with Section 2.11, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, (i) taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof or in which its principal office is located, (ii) taxes imposed on its income, and franchise taxes

imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof, (iii) taxes imposed upon or measured by the overall net income of such Lender by the United States of America or any political subdivision or taxing authority thereof or therein, and (iv) United States income taxes (including withholding taxes with respect to payments hereunder) payable with respect to payments hereunder under laws (including without limitation any statute, treaty, ruling, determination or regulation) in effect on the date hereof in the case of each Bank and on the effective date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If a Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrowers jointly and severally agree to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes").

(c) Each Borrower will indemnify each Lender and the Agent for the full amount of Taxes or Other Taxes (to the extent specifically attributable to Borrowings made by such Borrower) (including, without limitation, any Taxes or Other Taxes (to the extent specifically attributable to Borrowings made by such Borrower) imposed by any jurisdiction on amounts payable under this Section 2.12) and the Borrowers jointly and severally will indemnify each Lender and the Agent for the full amount of Taxes or Other Taxes (to the extent not specifically attributable to Borrowings made by a particular Borrower) (including, without limitation, any Taxes or Other Taxes (to the extent not specifically attributable to Borrowings made by a particular Borrower) imposed by any jurisdiction on amounts payable under this Section 2.12), in each case paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrowers, or either of them, will furnish to the Agent, at its address referred to in Section 9.02, the original or a certified copy of a receipt evidencing payment thereof.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Bank and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by either Borrower (but only so long as such Lender remains lawfully able to do so), shall provide such Borrower with Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 2.12(a).

(f) For any period with respect to which a Lender has failed to provide a Borrower with the appropriate form described in Section 2.12(e) (other than if such failure is due to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.12(a) with respect to Taxes imposed by the United States; provided, however, that should a Lender

become subject to Taxes because of its failure to deliver a form required hereunder, such Borrower shall, at the expense of such Lender, take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Without prejudice to the survival of any other agreement of the Borrowers hereunder, the agreements and obligations of the Borrowers contained in this Section 2.12 shall survive the payment in full of principal and interest hereunder.

SECTION 2.13. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the A Advances made by it (other than pursuant to Section 2.10 or 2.12 or, to the extent the Termination Date is not the same for all Lenders, pursuant to Section 2.06(a)) in excess of its ratable share of payments on account of the A Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the A Advances made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them, provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section 2.13 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the applicable Borrower in the amount of such participation.

SECTION 2.14. Evidence of Debt.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. Each Borrower agrees that upon notice by any Lender to such Borrower (with a copy of such notice to the Agent) to the effect that a promissory note or other evidence of indebtedness is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the A Advances or the B Advances owing to, or to be made by, such Lender, such Borrower shall promptly execute and deliver to such Lender promissory notes or other evidence of such indebtedness, in form and substance reasonably satisfactory to such Borrower and such Lender, payable to the order of such Lender in a principal amount equal, in the case of the A Advances, to the aggregate principal amount of the Commitment of such Lender and, in the case of the B Advances, to the outstanding principal amount of B Advances of such Lender; provided, however, that the execution and delivery of such promissory note or other evidence of indebtedness shall not be a condition precedent to the making of any Advance under this Agreement.

(b) The Register maintained by the Agent pursuant to Section 9.07(c) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date, amount and tenor, as applicable, of each Borrowing, the Borrower that received the proceeds of such Borrowing, the Type of Advances comprising such Borrowing and the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder, and (iv) the amount of any sum received by the Agent from each Borrower hereunder and each Lender's share thereof.

(c) The entries made in the Register shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.15. Use of Proceeds.

(a) Advances shall be used by the Borrowers for Commercial Paper backup, for Non-Hostile Acquisitions and for general corporate purposes.

(b) No portion of the proceeds of any Advances under this Agreement shall be used by either Borrower or any of its Subsidiaries in any manner which might cause the Advances or the application of such proceeds to violate, or require any Lender to make any filing or take any other action under, Regulation G, Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of such Board or to violate the Securities Exchange Act of 1934, in each case as in effect on the date or dates of such Advances and such use of proceeds.

SECTION 2.16. Extension of the Commitment Termination Date. The Borrowers may, not later than 30 days prior to each anniversary of the Effective Date (the "Current Anniversary Date"), and not more than once in any calendar year, commencing not later than 30 days prior to the first anniversary of the Effective Date, from time to time jointly request that the Commitment Termination Date for all Eligible Lenders (as defined below) be extended by delivering to the Agent a copy of an extension request signed by both Borrowers (an "Extension Request") in substantially the form of Exhibit E hereto. The Agent shall promptly notify each Lender of its receipt of such Extension Request. On or prior to the tenth day (the "Determination Date") prior to the Current Anniversary Date, each Eligible Lender shall notify the Agent and the Borrowers of its willingness or unwillingness to extend its Commitment Termination Date hereunder. Any Eligible Lender that shall fail to so notify the Agent and the Borrowers on or prior to the Determination Date shall be deemed to have declined to so extend. In the event that, on or prior to the Determination Date, Eligible Lenders representing 66-2/3% or more of the aggregate amount of the Commitments of all Eligible Lenders then in effect shall consent to such extension, the Agent shall so advise the Lenders and the Borrowers, and, subject to execution of documentation evidencing such extension and consents, the Commitment Termination Date of each Eligible Lender (each a "Consenting Lender") that has consented on or prior to the Determination Date to so extend shall be extended to the date indicated in the Extension Request. Thereafter, (i) for each Consenting Lender, the term "Commitment Termination Date" as used herein and in any promissory note executed and delivered by the Borrowers pursuant to Section 2.14 hereof, shall at all times refer to such date, unless it is later extended pursuant to this Section 2.16, and (ii) for each Lender that is not an Eligible Lender and for each Eligible Lender that either has declined on or prior to the Determination Date to so extend or is deemed to have so declined, the term "Commitment Termination Date" shall at all times refer to the date which was the Commitment Termination Date of such Lender immediately prior to the delivery to the Agent of such Extension Request. In the event that, as of the Determination Date, the Consenting Lenders represent less than 66-2/3% of the aggregate amount of the Commitments of all Eligible Lenders then in effect, the Agent shall so advise the Lenders and the Borrowers, and none of the Lenders' Commitment Termination Dates shall be extended to the date indicated in the Extension Request and each Lender's Commitment Termination Date shall continue to be the date which was the Commitment Termination Date of such Lender immediately prior to the delivery to the Agent of such Extension Request. For purposes of this Section 2.16, the term "Eligible Lenders" means, with respect to any Extension Request, (i) all Lenders if no Lender's Commitment Termination Date had been extended pursuant to this Section 2.16 prior to the delivery to the Agent of such Extension Request, and (ii) in all other cases, those Lenders which had extended their Commitment Termination Date in the most recent extension of any Commitment Termination Date effected pursuant to this Section 2.16.

SECTION 2.17. Substitution of Lenders. If any Lender requests compensation from a Borrower under Section 2.10(a) or (b) or if any Lender declines to extend its Commitment Termination Date pursuant to Section 2.16, the Borrowers shall have the right, with the assistance of the Agent, to seek one or more substitute banks or financial institutions (which may be one or more of the Lenders) reasonably satisfactory to the Agent and the Borrowers to purchase the Advances and assume the Commitments of such Lender, and the Borrowers, the Agent, such Lender, and such substitute banks or financial institutions shall execute and deliver an appropriately completed Assignment and Acceptance pursuant to Section 9.07(a) hereof to effect the assignment of

rights to and the assumption of obligations by such substitute banks or financial institutions; provided that such requesting Lender shall be entitled to (i) compensation under Section 2.10 for any costs incurred by it prior to its replacement, (ii) payment of all A Advances of such Lender then outstanding and all interest and fees accrued to the date of such payment, and (iii) if any Eurodollar Rate Advances of such Lender are then outstanding, any reimbursement which would be payable under Section 9.04(b) in connection with a prepayment of such Eurodollar Rate Advances on such date.

SECTION 2.18 Optional Increase in Commitments. From time to time, but not more frequently than once each calendar year, the Borrowers may, with the consent of the relevant Lender or Lenders (which consent shall be in the sole discretion of such Lender or Lenders) and of the Agent (which consent shall not be unreasonably withheld), increase the Commitment of any one or more of the Lenders (each an "Increasing Lender"), subject to the satisfaction of the following conditions precedent:

(a) the Agent shall have received a notice of increase (an "Increase Notice") signed by both Borrowers and each Increasing Lender in substantially the form of Exhibit D hereto;

(b) after giving effect to such increase and all prior increases in the Commitments since the Effective Date, (i) the aggregate amount of the Commitments shall not exceed \$525,000,000 and (ii) no Lender's Commitment shall exceed 50% of the aggregate amount of the Commitments;

(c) on the effective date of such increase, there shall be no A Advances outstanding and all accrued and unpaid interest on the A Advances and all accrued and unpaid facility fees shall have been paid in full; and

(d) the following statements shall be true (and the delivery of the applicable Commitment Increase Notice shall constitute a representation and warranty by the Partnership and the Corporation that on the effective date of such increase such statements are true): (i) the higher of the Ratings is equal to or better than BBB or Baa2, (ii) the representations and warranties of the Partnership and the Corporation contained in Article IV are correct on and as of the such date, before and after giving effect to such increase, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date; and (iii) no event has occurred and is continuing, or would result from such increase, which constitutes an Event of Default or a Potential Event of Default.

The Agent shall promptly notify the Lenders of any increase in the Commitments pursuant to this Section 2.18.

ARTICLE III

CONDITIONS OF LENDING

SECTION 3.01. Condition Precedent to Effective Date. The effectiveness of this Agreement and the obligation of each Lender to make its initial Advance hereunder are subject to the condition precedent that the Agent shall have received on or before the Effective Date the following, each (other than items (f) and (i)) dated the Effective Date, and each in form and substance satisfactory to the Agent and in sufficient copies for each Lender:

(a) A certificate of an authorized officer of the Managing Partner to the effect that the copy of the Partnership's Partnership Agreement delivered to the Agent (and available for inspection by the Lenders) is a complete and correct copy of the Partnership's Partnership Agreement, as amended to date.

(b) Certified copies of resolutions of the Board of Directors of the Managing Partner of the Partnership approving this Agreement, and of all documents evidencing other necessary partnership action and governmental approvals, if any, with respect to this Agreement.

(c) A certificate of the Secretary or an Assistant Secretary of the Managing Partner of the Partnership certifying the names and true signatures of the officers of the Managing Partner authorized to sign this Agreement and the other documents to be delivered by the Partnership hereunder.

(d) Certified copies of the resolutions of the Board of Directors of the Corporation approving this Agreement, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement;

(e) A certificate of the Secretary or an Assistant Secretary of the Corporation certifying the names and true signatures of the officers of the Corporation authorized to sign this Agreement and the other documents to be delivered by the Corporation hereunder;

(f) Certified copies of Corporation's and the Managing Partner's Certificate of Incorporation, together with good standing certificates from the states of their respective incorporation and their respective principal places of business, each to be dated a recent date prior to the Effective Date;

(g) Copies of the Corporation's and the Managing Partner's Bylaws, certified as of the Effective Date by their respective Secretary or an Assistant Secretary;

(h) A favorable opinion of Gibson, Dunn & Crutcher, special counsel for the Partnership and the Corporation, substantially in the form of Exhibit C-1 hereto, and a favorable opinion of Hayward D. Fisk, Esq., General Counsel of the Corporation, substantially in the form of Exhibit C-2 hereto;

(i) Financial statements of the Corporation and its Subsidiaries specified in Section 4.02(e);

(j) Evidence satisfactory to the Agent of (i) the absence of any indebtedness of the Partnership or the Corporation under the Existing Credit Agreements (including borrowings and accrued interest), (ii) the payment of fees payable, if any, by the Partnership or the Corporation under the Existing Credit Agreements and (iii) consent to the termination of the Existing Credit Agreements on the Effective Date by any party thereto which is not a party hereto.

SECTION 3.02. Conditions Precedent to Each A Borrowing. The obligation of each Lender to make an A Advance on the occasion of each A Borrowing (including the initial A Borrowing) shall be subject to the further conditions precedent that (i) Agent shall have received a Notice of A Borrowing with respect thereto in accordance with Section 2.02 and (ii) on the date of such A Borrowing the following statements shall be true (and each of the giving of the applicable Notice of A Borrowing and the acceptance by the applicable Borrower of the proceeds of such A Borrowing shall constitute a representation and warranty by the Partnership and the Corporation that on the date of such A Borrowing such statements are true):

(a) The representations and warranties of the Partnership and the Corporation contained in Article IV are correct on and as of the date of such A Borrowing, before and after giving effect to such A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date; and

(b) No event has occurred and is continuing, or would result from such A Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Potential Event of Default.

SECTION 3.03. Conditions Precedent to Each B Borrowing. The obligation of each Lender which is to make a B Advance on the occasion of a B Borrowing (including the initial B Borrowing) to make such B Advance as part of such B Borrowing is subject to the conditions precedent that (i) the Agent shall have received

the written confirmatory Notice of B Borrowing with respect thereto in accordance with Section 2.03 and (ii) on the date of such B Borrowing the following statements shall be true (and each of the giving of the applicable Notice of B Borrowing and the acceptance by the applicable Borrower of the proceeds of such B Borrowing shall constitute a representation and warranty by the Partnership and the Corporation that on the date of such B Borrowing such statements are true):

(a) The representations and warranties of the Partnership and the Corporation contained in Article IV are correct on and as of the date of such B Borrowing, before and after giving effect to such B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date, and

(b) No event has occurred and is continuing, or would result from such B Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Potential Event of Default.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Partnership. The Partnership represents and warrants as follows:

(a) Due Organization, etc. The Partnership is a general partnership duly organized, validly existing and in good standing under the laws of the jurisdiction indicated at the beginning of this Agreement.

(b) Due Authorization, etc. The execution, delivery and performance by the Partnership of this Agreement are within the Partnership's partnership powers, have been duly authorized by all necessary partnership action, and do not contravene (i) the Partnership's Partnership Agreement or (ii) applicable law or any material contractual restriction binding on or affecting the Partnership.

(c) Governmental Consent. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Partnership of this Agreement.

(d) Validity. This Agreement is the legal, valid and binding obligation of the Partnership enforceable against the Partnership in accordance with its terms subject to the effect of applicable bankruptcy, insolvency, arrangement, moratorium and other similar laws affecting creditors' rights generally and to the application of general principles of equity.

(e) Condition of the Partnership. The balance sheet of the Partnership and its Subsidiaries as at March 31, 1995, and the related statements of income and retained earnings of the Partnership and its Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, fairly present the financial condition of the Partnership and its Subsidiaries as at such date and the results of the operations of the Partnership and its Subsidiaries for the period ended on such date, all in accordance with GAAP consistently applied, and as of the Effective Date, there has been no material adverse change in the business, condition (financial or otherwise), operations or properties of the Partnership and its Subsidiaries, taken as a whole, since March 31, 1995.

(f) Litigation. (i) There is no pending action or proceeding against the Partnership or any of its Subsidiaries before any court, governmental agency or arbitrator, and (ii) to the knowledge of the Managing Partner of the Partnership, there is no pending or threatened action or proceeding affecting the

Partnership or any of its Subsidiaries before any court, governmental agency or arbitrator, which in either case would reasonably be expected to materially adversely affect the financial condition or operations of the Partnership and its Subsidiaries, taken as a whole, or which purports to affect the legality, validity or enforceability of this Agreement.

(g) Margin Regulations. The Partnership is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock in any manner that violates, or would cause a violation of, Regulation G, Regulation T, Regulation U or Regulation X.

(h) Payment of Taxes. The Partnership and each of its Subsidiaries have filed or caused to be filed all material tax returns (federal, state, local and foreign) required to be filed and paid all material amounts of taxes shown thereon to be due, including interest and penalties, except for such taxes as are being contested in good faith and by proper proceedings and with respect to which appropriate reserves are being maintained by the Partnership or any such Subsidiary, as the case may be.

(i) Governmental Regulation. The Partnership is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940, each as amended, or to any Federal or state statute or regulation limiting its ability to incur indebtedness for money borrowed. No Subsidiary of the Partnership is subject to any regulation that would limit the ability of the Partnership to enter into or perform its obligations under this Agreement.

(j) ERISA.

(i) No ERISA Event which might result in liability (other than for premiums payable under Title IV of ERISA) has occurred or is reasonably expected to occur with respect to any Pension Plan.

(ii) Schedule B (Actuarial Information) to the most recently completed annual report (Form 5500 Series) for each Pension Plan, copies of which have been filed with the Internal Revenue Service and furnished to the Agent, is complete and, to the best knowledge of the Partnership, accurate, and since the date of such Schedule B there has been no material adverse change in the funding status of any such Pension Plan.

(iii) Neither the Partnership nor any ERISA Affiliate has incurred, or, to the best knowledge of the Partnership, is reasonably expected to incur, any Withdrawal Liability to any Multiemployer Plan.

(iv) Neither the Partnership nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and, to the best knowledge of the Partnership, no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated within the meaning of Title IV of ERISA.

(k) Disclosure. No representation or warranty of the Partnership contained in this Agreement (including any Schedule furnished in connection herewith) contains any untrue statement of a material fact. No other document, certificate or written statement furnished to the Agent or any Lender by or on behalf of the Partnership for use in connection with the transactions contemplated by this Agreement, taken as a whole with other documents, certificates or written statements furnished contemporaneously therewith, contains any untrue statement of fact or omits to state a material fact

(known to the Partnership in the case of any documents not furnished by it) necessary in order to make the statements contained therein not misleading in light of the circumstances under which the same were made.

(l) Insurance. The Partnership and its Subsidiaries (i) have in full force insurance coverage of their respective properties, assets and business (including casualty, general liability, products liability and business interruption insurance) that is (A) no less protective in any material respect than the insurance the Partnership and its Subsidiaries have carried in accordance with their past practices or (B) prudent given the nature of the business of the Partnership and its Subsidiaries and the prevailing practice among companies similarly situated or (ii) maintain a plan or plans of self-insurance to such extent and covering such risks as is usual for companies of comparable size engaged in the same or similar business which plan or plans provide for, among other things, adequate reserves for the risks being self-insured.

(m) Environmental Matters. (i) The Partnership and each of its Subsidiaries is in compliance in all material respects with all Environmental Laws the non-compliance with which could reasonably be expected to have a material adverse effect on the financial condition or operations of the Partnership and its Subsidiaries, taken as a whole, and (ii) there has been no "release or threatened release of a hazardous substance" (as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. S 9601 et seq.) or any other release, emission or discharge into the environment of any hazardous or toxic substance, pollutant or other materials from the Partnership's or its Subsidiaries' property other than as permitted under applicable Environmental Law and other than those which would not have a material adverse effect on the financial condition or operations of the Partnership and its Subsidiaries, taken as a whole. Other than disposals for which the Partnership has been indemnified in full, all "hazardous waste" (as defined by the Resource Conservation and Recovery Act, 42 U.S.C. S6901 et seq. (1976) and the regulations thereunder, 40 CFR Part 261 ("RCRA")) generated at the Partnership's or any Subsidiaries' properties have in the past been and shall continue to be disposed of at sites which maintain valid permits under RCRA and any applicable state or local Environmental Law.

(n) Equifax Put. The Partnership has the right to sell to The Credit Bureau, Incorporated of Georgia ("CBI"), and require CBI to purchase and assume, the Accounts Management Assets and Liabilities and the Subsidiaries' Assets and Liabilities (each as defined in the Processing Agreement referred to below) on the terms set forth in Article IV of that certain Agreement for Computerized Credit Reporting Services and Options to Purchase and Sell Assets dated as of August 1, 1988, without giving effect to any amendments thereto, among CBI, Equifax Inc., the Corporation and certain Subsidiaries of the Corporation (the "Processing Agreement").

SECTION 4.02. Representations and Warranties of the Corporation. The Corporation, in its capacity as a Borrower, represents and warrants as follows, and the Corporation, in its capacity as the Guarantor, in order to induce Lenders and Agent to accept the Guaranty and to enter into this Agreement and to make the Advances hereunder, represents and warrants as follows:

(a) Due Organization, etc. The Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. The Corporation is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions which require such qualification except to the extent that failure to so qualify would not have a material adverse effect on the Corporation. Each Subsidiary of the Corporation is a corporation or a partnership, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation. Each such Subsidiary is duly qualified to do business as a foreign corporation or foreign partnership, as the case may be, in good standing in all other jurisdictions which require such qualification except to the extent that failure to so qualify would not have a material adverse effect on such Subsidiary.

(b) Due Authorization, etc. The execution, delivery and performance by the Corporation of this Agreement are within the Corporation's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Corporation's certificate of incorporation or bylaws or (ii) law or any material contractual restriction binding on or affecting the Corporation.

(c) Governmental Consent. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Corporation of this Agreement.

(d) Validity. This Agreement is the legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, arrangement, moratorium and other similar laws affecting creditors' rights generally and to the application of general principles of equity.

(e) Condition of the Corporation. The balance sheet of the Corporation and its Subsidiaries as at March 31, 1995, and the related statements of income and retained earnings of the Corporation and its Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, fairly present the financial condition of the Corporation and its Subsidiaries as at such date and the results of the operations of the Corporation and its Subsidiaries for the fiscal year ended on such date, all in accordance with GAAP consistently applied, and as of the Effective Date, there has been no material adverse change in the business, condition (financial or otherwise), operations or properties of the Corporation and its Subsidiaries, taken as a whole, since March 31, 1995.

(f) Litigation. (i) There is no pending action or proceeding against the Corporation or any of its Subsidiaries before any court, governmental agency or arbitrator, and (ii) to the knowledge of the Corporation, there is no pending or threatened action or proceeding affecting the Corporation or any of its Subsidiaries before any court, governmental agency or arbitrator, which in either case would reasonably be expected to materially adversely affect the financial condition or operations of the Corporation and its Subsidiaries, taken as a whole, or which purports to affect the legality, validity or enforceability of this Agreement.

(g) Margin Regulations. The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock in any manner that violates or would cause a violation of Regulation G, Regulation T, Regulation U or Regulation X.

(h) Payment of Taxes. The Corporation and each of its Subsidiaries have filed or caused to be filed all material tax returns (federal, state, local and foreign) required to be filed and paid all material amounts of taxes shown thereon to be due, including interest and penalties, except for such taxes as are being contested in good faith and by proper proceedings and with respect to which appropriate reserves are being maintained by the Corporation or any such Subsidiary, as the case may be.

(i) Governmental Regulation. The Corporation is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940, each as amended, or to any Federal or state statute or regulation limiting its ability to incur indebtedness for money borrowed. No Subsidiary of the Corporation is subject to any regulation that would limit the ability of the Partnership or the Corporation to enter into or perform their respective obligations under this Agreement.

(j) ERISA.

(i) No ERISA Event which might result in liability (other than for premiums payable under Title IV of ERISA) has occurred or is reasonably expected to occur with respect to any Pension Plan.

(ii) Schedule B (Actuarial Information) to the most recently completed annual report (Form 5500 Series) for each Pension Plan, copies of which have been filed with the Internal Revenue Service and furnished to the Agent, is complete and, to the best knowledge of the Corporation, accurate, and since the date of such Schedule B there has been no material adverse change in the funding status of any such Pension Plan.

(iii) Neither the Corporation nor any ERISA Affiliate has incurred, or, to the best knowledge of the Corporation, is reasonably expected to incur, any Withdrawal Liability to any Multiemployer Plan.

(iv) Neither the Corporation nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and, to the best knowledge of the Corporation, no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated within the meaning of Title IV of ERISA.

(k) Disclosure. No representation or warranty of the Corporation contained in this Agreement (including any Schedule furnished in connection herewith) contains any untrue statement of a material fact. No other document, certificate or written statement furnished to the Agent or any Lender by or on behalf of the Corporation for use in connection with the transactions contemplated in this Agreement, taken as a whole with other documents, certificates or written statements furnished contemporaneously therewith, contains any untrue statement of fact or omits to state a material fact (known to the Corporation in the case of any documents not furnished by it) necessary in order to make the statements contained therein not misleading in light of the circumstances under which the same were made.

(l) Insurance. The Corporation and its Subsidiaries (i) have in full force insurance coverage of their respective properties, assets and business (including casualty, general liability, products liability and business interruption insurance) that is (A) no less protective in any material respect than the insurance the Corporation and its Subsidiaries have carried in accordance with their past practices or (B) prudent given the nature of the business of the Corporation and its Subsidiaries and the prevailing practice among companies similarly situated or (ii) maintain a plan or plans of self-insurance to such extent and covering such risks as is usual for companies of comparable size engaged in the same or similar business which plan or plans provide for, among other things, adequate reserves for the risks being self-insured.

(m) Environmental Matters. (i) The Corporation and each of its Subsidiaries is in compliance in all material respects with all Environmental Laws the non-compliance with which could reasonably be expected to have a material adverse effect on the financial condition or operations of the Corporation and its Subsidiaries, taken as a whole, and (ii) there has been no "release or threatened release of a hazardous substance" (as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. S 9601 et seq.) or any other release, emission or discharge into the environment of any hazardous or toxic substance, pollutant or other materials from the Corporation's or its Subsidiaries' property other than as permitted under applicable Environmental Law and other than those which would not have a material adverse effect on the financial condition or operations of the Corporation and its Subsidiaries, taken as a whole. Other than disposals for which the Corporation has been indemnified in full, all "hazardous waste" (as defined by the Resource Conservation and Recovery Act, 42 U.S.C. S6901 et seq. (1976) and the regulations thereunder, 40 CFR Part 261 ("RCRA")) generated at the Corporation's or any Subsidiaries' properties have in the past been

and shall continue to be disposed of at sites which maintain valid permits under RCRA and any applicable state or local Environmental Law.

(n) Relationship to the Partnership. (i) The Corporation is the owner, directly or indirectly (through its Subsidiaries of which it owns at least 80% of the voting stock), of more than 50% of the partnership interest of the Partnership; (ii) Lenders' agreement to make the Advances to the Partnership is of substantial and material benefit to the Corporation; and (iii) the Corporation has reviewed and approved copies of this Agreement and is fully informed of the remedies Lenders may pursue upon the occurrence of an Event of Default.

(o) Equifax Put. The Partnership has the right to sell to CBI, and require CBI to purchase and assume, the Accounts Management Assets and Liabilities and the Subsidiaries' Assets and Liabilities (each as defined in the Processing Agreement) on the terms set forth in Article IV of the Processing Agreement.

ARTICLE V

COVENANTS

SECTION 5.01. Affirmative Covenants of the Partnership. The Partnership covenants and agrees that the Partnership will, so long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, unless the Majority Lenders shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, (i) complying with all Environmental Laws and (ii) paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith, except where failure to so comply would not have a material adverse effect on the business, condition (financial or otherwise), operations or properties of the Partnership and its Subsidiaries, taken as a whole.

(b) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 110 days after the end of each fiscal year of the Partnership, a copy of the annual audit report for such year for the Partnership and its Subsidiaries, containing financial statements (including a consolidated balance sheet, consolidated statements of income and partners' equity and cash flows of the Partnership and its Subsidiaries) for such year, accompanied by an opinion of Deloitte & Touche or other nationally recognized independent public accountants. The opinion shall be unqualified (as to going concern, scope of audit and disagreements over the accounting or other treatment of offsets) and shall state that such consolidated financial statements present fairly the financial position of the Partnership and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(ii) together with each delivery of the report of the Partnership and its Subsidiaries pursuant to subsection (i) above, a compliance certificate for the year executed by an authorized financial officer of the Partnership stating that the signer has reviewed the terms of this Agreement and has made, or caused to be made under his or her supervision, a review in reasonable detail of the transactions and condition of the Partnership and its Subsidiaries during the accounting period covered by such financial statements and that such review has not

disclosed the existence during or at the end of such accounting period, and that the signer does not have knowledge of the existence as at the date of the compliance certificate, of any condition or event that constitutes an Event of Default or Potential Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Partnership has taken, is taking and proposes to take with respect thereto;

(iii) as soon as possible and in any event within five days after the occurrence of each Event of Default and each Potential Event of Default, continuing on the date of such statement, a statement of an authorized financial officer of the Partnership setting forth details of such Event of Default or Potential Event of Default and the action which the Partnership has taken and proposes to take with respect thereto;

(iv) promptly after any significant change in accounting policies or reporting practices, notice and a description in reasonable detail of such change;

(v) promptly and in any event within 30 days after the Partnership or any ERISA Affiliate knows or has reason to know that any ERISA Event referred to in clause (i) of the definition of ERISA Event with respect to any Pension Plan has occurred which might result in liability to the PBGC a statement of the chief accounting officer of the Partnership describing such ERISA Event and the action, if any, that the Partnership or such ERISA Affiliate has taken or proposes to take with respect thereto;

(vi) promptly and in any event within 10 days after the Partnership or any ERISA Affiliate knows or has reason to know that any ERISA Event (other than an ERISA Event referred to in (v) above) with respect to any Pension Plan has occurred which might result in liability to the PBGC, a statement of the chief accounting officer of the Partnership describing such ERISA Event and the action, if any, that the Partnership or such ERISA Affiliate has taken or proposes to take with respect thereto;

(vii) promptly and in any event within five Business Days after receipt thereof by the Partnership or any ERISA Affiliate from the PBGC, copies of each notice from the PBGC of its intention to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan;

(viii) promptly and in any event within seven Business Days after receipt thereof by the Partnership or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Partnership or any ERISA Affiliate concerning (w) the imposition of Withdrawal Liability by a Multiemployer Plan, (x) the determination that a Multiemployer Plan is, or is expected to be, in reorganization within the meaning of Title IV of ERISA, (y) the termination of a Multiemployer Plan within the meaning of Title IV of ERISA or (z) the amount of liability incurred, or expected to be incurred, by the Partnership or any ERISA Affiliate in connection with any event described in clause (w), (x) or (y) above;

(ix) promptly after the commencement thereof, notice of all material actions, suits and proceedings before any court or government department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Partnership or any of its Subsidiaries, of the type described in Section 4.01(f);

(x) promptly after the occurrence thereof, notice of (A) any event which makes any of the representations contained in Section 4.01(m) inaccurate in any material respect or (B) the receipt by the Partnership of any notice, order, directive or other communication from a governmental authority alleging violations of or noncompliance with any Environmental Law

which could reasonably be expected to have a material adverse effect on the financial condition of the Partnership and its Subsidiaries, taken as a whole;

(xi) promptly after any change in any Rating, a notice of such change, which notice shall specify the new Rating, the date on which such change was publicly announced (in the case of a public rating) or disclosed to the Corporation (in the case of a private rating), and such other information with respect to such change as any Lender through the Agent may reasonably request; and

(xii) such other information respecting the condition or operations, financial or otherwise, of the Partnership or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request.

(c) Partnership Existence, Etc. The Partnership will, and will cause each of its Subsidiaries to, at all times maintain its fundamental business and preserve and keep in full force and effect its partnership existence (except as permitted under Section 5.02(b) hereof) and all rights, franchises and licenses necessary or desirable in the normal conduct of its business.

(d) Maintenance of Insurance. The Partnership will and will cause each of its Subsidiaries to maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks (i) as are usually insured by companies engaged in similar businesses and (ii) with responsible and reputable insurance companies. Notwithstanding the foregoing, the Partnership and its Subsidiaries may maintain a plan or plans of self-insurance to such extent and covering such risks as is usual for companies of comparable size engaged in the same or similar business, which plans shall include, among other things, adequate reserves for the risks that are self-insured. On request the Partnership will advise the Agent and the Lenders concerning any such plan or plans for self-insurance.

SECTION 5.02. Negative Covenants of the Partnership. The Partnership covenants and agrees that, so long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, without the written consent of the Majority Lenders:

(a) Liens, Etc. The Partnership will not create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Debt of any Person, unless the Partnership's obligations hereunder shall be secured equally and ratably with, or prior to, any such Debt; provided however that the foregoing restriction shall not apply to the following Liens which are permitted:

(i) set-off rights, arising by operation of law or under any contract entered into in the ordinary course of business, and bankers' Liens, Liens of carriers, warehousemen, mechanics, workmen, employees, materialmen and other Liens imposed by law;

(ii) Liens in favor of the United States of America to secure amounts paid to the Partnership or any of its Subsidiaries as advance or progress payments under government contracts entered into by it so long as such Liens cover only (x) special bank accounts into which only such advance or progress payments are deposited and (y) supplies covered by such government contracts and material and other property acquired for or allocated to the performance of such government contracts;

(iii) attachment, judgment and other similar Liens arising in connection with legal proceedings, provided that the execution or other enforcement of such Liens is effectively stayed

and the claims secured thereby are being contested in good faith by appropriate proceedings, and provided that any such judgment does not constitute an Event of Default;

(iv) Liens on accounts receivable resulting from the sale of such accounts receivable;

(v) Liens on assets of any Subsidiary of the Partnership existing at the time such Person becomes a Subsidiary (other than any such Lien created in contemplation of becoming a Subsidiary);

(vi) purchase money Liens upon or in any property acquired or held by the Partnership or any Subsidiary in the ordinary course of business to secure the purchase price of such property or to secure Debt incurred solely for the purpose of financing the acquisition of such property (provided that the amount of Debt secured by such Lien does not exceed 100% of the purchase price of such property and transaction costs relating to such acquisition) and Liens existing on such property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition); and the interest of the lessor thereof in any property that is subject to a Capital Lease;

(vii) Liens, other than Liens described in clauses (i) through (vi) and in clause (ix), to secure Debt not in excess of \$5,000,000 principal amount at any time outstanding;

(viii) Liens resulting from any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Debt secured by any Lien referred to in clauses (iv), (v) and (vi) so long as (x) the aggregate principal amount of any such Debt shall not increase as a result of any such extension, renewal or replacement and (y) Liens resulting from any such extension, renewal or replacement shall cover only such property which secured the Debt that is being extended, renewed or replaced; and

(ix) Liens on any of the properties described in Exhibit F hereto to secure Debt, provided that the amount of such Debt does not exceed 100% of the fair market value of the property encumbered by such Lien at the time such Debt is incurred.

(b) Restrictions on Fundamental Changes. The Partnership will not, and will not permit any of its Subsidiaries to, merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or a substantial portion of its assets (whether now owned or hereafter acquired) to any Person (other than the Corporation or any Subsidiary of the Corporation, so long as the Corporation owns 80% or more of the voting stock thereof), or enter into any partnership, joint venture, syndicate, pool or other combination, unless (a) no Event of Default or Potential Event of Default has occurred and is continuing or would result therefrom and (b) any prepayment required under Section 2.06(b) has been made.

(c) Plan Terminations. The Partnership will not, and will not permit any ERISA Affiliate to, terminate any Pension Plan so as to result in liability of the Partnership or any ERISA Affiliate to the PBGC in excess of \$15,000,000, or permit to exist any occurrence of an event or condition which reasonably presents a material risk of a termination by the PBGC of any Pension Plan with respect to which the Partnership or any ERISA Affiliate would, in the event of such termination, incur liability to the PBGC in excess of \$15,000,000.

(d) Employee Benefit Costs and Liabilities. The Partnership will not, and will not permit any ERISA Affiliate to, create or suffer to exist, (i) any Insufficiency with respect to a Pension Plan or any Withdrawal Liability with respect to a Multiemployer Plan if, immediately after giving effect thereto, such Insufficiencies and Withdrawal Liabilities of all Pension Plans and Multiemployer Plans, respectively, of

the Partnership and its ERISA Affiliates exceeds \$25,000,000 or (ii) except as provided in Section 4980B of the Code and except as provided under the terms of any employee welfare benefit plans provided pursuant to the terms of collective bargaining agreements, any employee benefit plan to provide health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Partnership or any of its ERISA Affiliate unless the Partnership and/or any of its ERISA Affiliates are permitted to terminate such benefits pursuant to the terms of such employee benefit plan.

SECTION 5.03. Affirmative Covenants of the Corporation. The Corporation covenants and agrees that the Corporation will, unless and until all of the Advances shall have been indefeasibly paid in full, the Commitments of the Lenders shall have terminated and all of the Guaranteed Obligations shall have been indefeasibly paid in full, unless Majority Lenders shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, (i) complying with all Environmental Laws and (ii) paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith, except where failure to so comply would not have a material adverse effect on the business, condition (financial or otherwise), operations or properties of the Corporation and its Subsidiaries, taken as a whole.

(b) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 60 days of the end of each of the first three fiscal quarters of each fiscal year of the Corporation, a copy of the quarterly report for such quarter for the Corporation and its Subsidiaries, containing financial statements (including a consolidated balance sheet, consolidated statements of income and stockholders' equity and cash flows of the Corporation and its Subsidiaries) for such quarter;

(ii) as soon as available and in any event within 110 days after the end of each fiscal year of the Corporation, a copy of the annual audit report for such year for the Corporation and its Subsidiaries, containing financial statements (including a consolidated balance sheet, consolidated statements of income and stockholders' equity and cash flows of the Corporation and its Subsidiaries) for such year, accompanied by an opinion of Deloitte & Touche or other nationally recognized independent public accountants. The opinion shall be unqualified (as to going concern, scope of audit and disagreements over the accounting or other treatment of offsets) and shall state that such consolidated financial statements present fairly the financial position of the Corporation and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(iii) together with each delivery of the report of the Corporation and its Subsidiaries pursuant to subsection (i) or subsection (ii) above, a compliance certificate for the quarter or year, as applicable, executed by an authorized financial officer of the Corporation (A) stating, in the case of the financial statements delivered under Section 5.03(b)(i) for such quarter, that such financial statements fairly present the financial condition of the Corporation and its Subsidiaries as at the dates indicated and the results of operations of the Corporation and its Subsidiaries and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise stated therein), subject to changes resulting from audit and normal year-end adjustment, (B) stating that the signer has reviewed the terms of this Agreement and has made, or caused to be made under his or her supervision, a review in reasonable detail of the transactions and condition of the Corporation and its Subsidiaries during the accounting

period covered by such financial statements and that such review has not disclosed the existence during or at the end of such accounting period, and that the signer does not have knowledge of the existence as at the date of the compliance certificate, of any condition or event that constitutes an Event of Default or a Potential Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Corporation has taken, is taking and proposes to take with respect thereto and (C) demonstrating in reasonable detail compliance during (as required thereunder) and at the end of such accounting periods with the restrictions contained in Section 5.04(c).

(iv) together with each delivery of the Corporation's annual report pursuant to subsection (ii) above, a written statement by the independent public accountants giving the report thereon (so long as delivery of such statement is not prohibited by AICPA rules) (A) stating that their audit examination has included a review of the terms of this Agreement as they relate to accounting matters and (B) stating whether, in connection with their audit examination, any condition or event that constitutes an Event of Default or a Potential Event of Default has come to their attention, and if such a condition or event has come to their attention, specifying the nature and period of existence thereof; provided, that such accountants shall not be liable by reason of any failure to obtain knowledge of any such Event of Default or Potential Event of Default that would not be disclosed in the course of a reasonable audit examination;

(v) as soon as possible and in any event within five days after the occurrence of each Event of Default and each Potential Event of Default, continuing on the date of such statement, a statement of an authorized financial officer of the Corporation setting forth details of such Event of Default or Potential Event of Default and the action which the Corporation has taken and proposes to take with respect thereto;

(vi) promptly after any significant change in accounting policies or reporting practices, notice and a description in reasonable detail of such change;

(vii) promptly and in any event within 30 days after the Corporation or any ERISA Affiliate knows or has reason to know that any ERISA Event referred to in clause (i) of the definition of ERISA Event with respect to any Pension Plan has occurred which might result in liability to the PBGC a statement of the chief accounting officer of the Corporation describing such ERISA Event and the action, if any, that the Corporation or such ERISA Affiliate has taken or proposes to take with respect thereto;

(viii) promptly and in any event within 10 days after the Corporation or any ERISA Affiliate knows or has reason to know that any ERISA Event (other than an ERISA Event referred to in (v) above) with respect to any Pension Plan has occurred which might result in liability to the PBGC, a statement of the chief accounting officer of the Corporation describing such ERISA Event and the action, if any, that the Corporation or such ERISA Affiliate has taken or proposes to take with respect thereto;

(ix) promptly and in any event within five Business Days after receipt thereof by the Corporation or any ERISA Affiliate from the PBGC, copies of each notice from the PBGC of its intention to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan;

(x) promptly and in any event within seven Business Days after receipt thereof by the Corporation or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Corporation or any ERISA Affiliate concerning (w) the imposition of Withdrawal Liability by a Multiemployer Plan, (x) the determination that a Multiemployer Plan is, or is expected to be, in reorganization within the meaning of Title IV of ERISA, (y) the

termination of a Multiemployer Plan within the meaning of Title IV of ERISA or (z) the amount of liability incurred, or expected to be incurred, by the Corporation or any ERISA Affiliate in connection with any event described in clause (w), (x) or (y) above;

(xi) promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports that the Corporation or any of its Subsidiaries sends to its stockholders generally, and copies of all regular, periodic and special reports, and all registration statements, that the Corporation or any of its Subsidiaries files with the SEC or any governmental authority that may be substituted therefor, or with any national securities exchange;

(xii) promptly after the furnishing thereof, copies of any statement or report furnished to any other holder of the securities of the Corporation or any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 5.03.

(xiii) promptly after the commencement thereof, notice of all material actions, suits and proceedings before any court or government department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Corporation or any of its Subsidiaries, of the type described in Section 4.02(f).

(xiv) promptly after the occurrence thereof, notice of (A) any event which makes any of the representations contained in Section 4.02(1) inaccurate in any material respect or (B) the receipt by the Corporation of any notice, order, directive or other communication from a governmental authority alleging violations of or noncompliance with any Environmental Law which could reasonably be expected to have a material adverse effect on the financial condition of the Corporation and its Subsidiaries, taken as a whole;

(xv) promptly after any change in any Rating, a notice of such change, which notice shall specify the new Rating, the date on which such change was publicly announced (in the case of a public rating) or was disclosed to the Corporation (in the case of a private rating), and such other information with respect to such change as any Lender through Agent may reasonably request; and

(xvi) such other information respecting the condition or operations, financial or otherwise, of the Corporation or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request.

(c) Corporate Existence, Etc. The Corporation will, and will cause each of its material Subsidiaries to, at all times maintain its fundamental business and preserve and keep in full force and effect its corporate existence (except as permitted under Section 5.04(b)) and all rights, franchises and licenses necessary or desirable in the normal conduct of its business.

(d) Maintenance of Insurance. The Corporation will and will cause each of its Subsidiaries to maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks (i) as are usually insured by companies engaged in similar businesses and (ii) with responsible and reputable insurance companies or associations. Notwithstanding the foregoing, the Corporation and its Subsidiaries may maintain a plan or plans of self-insurance to such extent and covering such risks as is usual for companies of comparable size engaged in the same or similar business, which plans shall include, among other things, adequate reserves for the risks that are self-insured. On request the Corporation will advise the Agent and the Lenders concerning any such plan or plans for self-insurance.

(e) Relationship to the Partnership. The Corporation shall keep itself informed as to the status of the transactions contemplated or referred to herein, the Partnership's financial status and its ability to perform its obligations under this Agreement.

SECTION 5.04. Negative Covenants of the Corporation. The Corporation covenants and agrees that, unless and until all of the Advances shall have been indefeasibly paid in full, the Commitments of the Lenders shall have terminated and all of the Guaranteed Obligations shall have been indefeasibly paid in full, unless Majority Lenders shall otherwise consent in writing:

(a) Liens, Etc. The Corporation will not create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Debt of any Person, unless the Corporation's obligations hereunder shall be secured equally and ratably with, or prior to, any such Debt; provided however that the foregoing restriction shall not apply to the following Liens which are permitted:

(i) set-off rights, arising by operation of law or under any contract entered into in the ordinary course of business, and bankers' Liens, Liens of carriers, warehousemen, mechanics, workmen, employees, materialmen and other Liens imposed by law;

(ii) Liens in favor of the United States of America to secure amounts paid to the Corporation or any of its Subsidiaries as advance or progress payments under government contracts entered into by it so long as such Liens cover only (x) special bank accounts into which only such advance or progress payments are deposited and (y) supplies covered by such government contracts and material and other property acquired for or allocated to the performance of such government contracts;

(iii) attachment, judgment and other similar Liens arising in connection with legal proceedings, provided that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings, and provided that any such judgment does not constitute an Event of Default;

(iv) Liens on accounts receivable resulting from the sale of such accounts receivable;

(v) Liens on assets of any Subsidiary of the Corporation existing at the time such Person becomes a Subsidiary (other than any such Lien created in contemplation of becoming a Subsidiary);

(vi) purchase money Liens upon or in any property acquired or held by the Corporation or any Subsidiary in the ordinary course of business to secure the purchase price of such property or to secure Debt incurred solely for the purpose of financing the acquisition of such property (provided that the amount of Debt secured by such Lien does not exceed 100% of the purchase price of such property and transaction costs relating to such acquisition) and Liens existing on such property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition); and the interest of the lessor thereof in any property that is subject to a Capital Lease;

(vii) Liens, other than Liens described in clauses (i) through (vi) and in clause (ix), to secure Debt not in excess of an aggregate of \$5,000,000 principal amount at any time outstanding;

(viii) Liens resulting from any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Debt secured by any Lien referred to in clauses (iv), (v) and (vi) so long as (x) the aggregate principal amount of any such Debt shall not increase as a result of any such extension, renewal or replacement and (y) Liens resulting from any such extension, renewal or replacement shall cover only such property which secured the Debt that is being extended, renewed or replaced; and

(ix) Liens on any of the properties described in Exhibit G hereto to secure Debt, provided that the amount of such Debt does not exceed 100% of the fair market value of the property encumbered by such Lien at the time such Debt is incurred.

(b) Restrictions on Fundamental Changes. The Corporation will not, and will not permit any of its Subsidiaries to, merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or a substantial portion of its assets (whether now owned or hereafter acquired) to any Person (other than the Corporation or any Subsidiary of the Corporation, so long as the Corporation owns 80% or more of the voting stock thereof), or enter into any partnership, joint venture, syndicate, pool or other combination, unless (a) no Event of Default or Potential Event of Default has occurred and is continuing or would result therefrom and (b) in the case of any consolidation or merger involving the Corporation either (i) the Corporation is the surviving entity or (ii) the Person surviving or resulting from such consolidation or merger shall have assumed the obligations of the Corporation hereunder in an agreement or instrument reasonably satisfactory in form and substance to the Agent.

(c) Financial Covenants.

(i) Leverage Ratio. The Corporation will not permit at any time the ratio of Consolidated Total Debt to Consolidated Total Capitalization to exceed 0.45 to 1.00.

(ii) Minimum Interest Coverage Ratio. The Corporation will not permit the ratio of Consolidated Gross Cash Flow for the four consecutive fiscal quarters ending on the last day of each fiscal quarter to Consolidated Interest Expense for such four consecutive fiscal quarters ending on the last day of each fiscal quarter to be less than 3.50 to 1.00.

(d) Plan Terminations. The Corporation will not, and will not permit any ERISA Affiliate to, terminate any Pension Plan so as to result in liability of the Corporation or any ERISA Affiliate to the PBGC in excess of \$15,000,000, or permit to exist any occurrence of an event or condition which reasonably presents a material risk of a termination by the PBGC of any Pension Plan with respect to which the Corporation or any ERISA Affiliate would, in the event of such termination, incur liability to the PBGC in excess of \$15,000,000.

(e) Employee Benefit Costs and Liabilities. The Corporation will not, and will not permit any ERISA Affiliate to, create or suffer to exist, (i) any Insufficiency with respect to a Pension Plan or any Withdrawal Liability with respect to a Multiemployer Plan if, immediately after giving effect thereto, such Insufficiencies and Withdrawal Liabilities of all Pension Plans and Multiemployer Plans, respectively, of the Corporation and its ERISA Affiliates exceeds \$25,000,000 or (ii) except as provided in Section 4980B of the Code and except as provided under the terms of any employee welfare benefit plans provided pursuant to the terms of collective bargaining agreements, any employee benefit plan to provide health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Corporation or any of its ERISA Affiliate unless the Corporation and/or any of its ERISA Affiliates are permitted to terminate such benefits pursuant to the terms of such employee benefit plan.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Either Borrower shall fail to pay any principal of any Advance when the same becomes due and payable or either Borrower shall fail to pay any interest on any Advance or any fees or other amounts payable hereunder within five days of the date due; or

(b) The Guarantor shall fail to pay any Guaranteed Obligations when the same becomes due and payable; or

(c) Any representation or warranty made by the Partnership or the Corporation herein or by the Partnership (or any of its or the Managing Partner's officers) or the Corporation in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(d) The Partnership shall fail to perform or observe (i) any term, covenant or agreement contained in Section 5.01(c) or 5.02, or (ii) any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after the Partnership obtains knowledge of such breach; or

(e) The Corporation shall fail to perform or observe (i) any term, covenant or agreement contained in Section 5.03(c) or 5.04, or (ii) any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after the Corporation obtains knowledge of such breach; or

(f) The Corporation, the Partnership or any of their respective Subsidiaries shall fail to pay any principal of or premium or interest on any Debt which is outstanding in a principal amount of at least \$25,000,000 in the aggregate (but excluding Debt arising under this Agreement) of the Corporation, the Partnership or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment or by a required prepayment of insurance proceeds or by a required prepayment as a result of formulas based on asset sales or excess cash flow), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(g) The Corporation, the Partnership or any of their respective Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Corporation, the Partnership or any of their respective Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for substantial part of its property and, in the

case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismitted or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Corporation, the Partnership or any of their respective Subsidiaries shall take any corporate or partnership action to authorize any of the actions set forth above in this subsection (g); or

(h) Any judgment or order for the payment of money in excess of \$25,000,000 shall be rendered against the Corporation, the Partnership or any of their respective Subsidiaries and is not promptly paid by the Corporation, the Partnership or any of their respective Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(i) Any provision of the Guaranty shall for any reason cease to be valid and binding on the Guarantor or the Guarantor shall so state in writing; or

(j)

(i) Any ERISA Event with respect to a Pension Plan shall have occurred and, 30 days after notice thereof shall have been given to the Borrowers by the Agent, (x) such ERISA Event shall still exist and (y) the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Pension Plan and the Insufficiency of any and all other Pension Plans with respect to which an ERISA Event shall have occurred and then exist (or in the case of a Pension Plan with respect to which an ERISA Event described in clause (iii) through (vi) of the definition of ERISA Event shall have occurred and then exist, the liability related thereto) is equal to or greater than \$15,000,000; or

(ii) Either Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred an aggregate Withdrawal Liability for all years to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by such Borrower and its ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds \$15,000,000; or

(iii) Either Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV or ERISA, if as a result of such reorganization or termination the aggregate annual contributions of such Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan year of such Multiemployer Plan immediately preceding the plan year in which the reorganization or termination occurs by an amount exceeding \$15,000,000; or

(k) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Corporation (or other securities convertible into such securities) representing 35% or more of the combined voting power of all securities of the Corporation entitled to vote in the election of directors, other than securities having such power only by reason of the happening of a contingency; or

(l) The Corporation or any of its Subsidiaries shall be suspended or debarred by any governmental entity from entering into any government contract or government subcontract from otherwise engaging in any business relating to government contracts or from participation in government

non-procurement programs, and such suspension or debarment could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), operations or properties of the Corporation and its Subsidiaries, taken as a whole;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrowers, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrowers, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are here expressly waived by the Borrowers; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Corporation, the Partnership or any of their respective Subsidiaries under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrowers.

ARTICLE VII

THE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Advances and other amounts owing hereunder), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by either Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the payee of any Advance as the holder thereof until the Agent receives and accepts an Assignment and Acceptance entered into by the Lender which is the payee of such Advance, as assignor, and an Eligible Assignee, as assignee, as provided in Section 9.07; (ii) may consult with legal counsel (including counsel for the Borrowers), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Partnership or the Corporation or to inspect the property (including the books and records) of the Partnership or the Corporation; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. CUSA and Affiliates. With respect to its Commitment, the Advances made by it, CUSA shall have the same rights and powers under this Agreement as any other Lender and may exercise the

same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include CUSA in its individual capacity. CUSA and its affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrowers, any of their respective subsidiaries and any Person who may do business with or own securities of either Borrower or any such subsidiary, all as if CUSA were not the Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrowers), ratably according to the respective principal amounts of the A Advances then held by each of them (or if no A Advances are at the time outstanding or if any A Advances are held by Persons which are not Lenders, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, syndication, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrowers.

SECTION 7.06. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a commercial bank organized under the laws of the United States of America or of any State thereof or any Bank and, in each case having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

ARTICLE VIII

THE GUARANTY

SECTION 8.01. Guaranty of the Guaranteed Obligations. The Guarantor hereby irrevocably and unconditionally guaranties, as primary obligor and not merely as surety, the due and punctual payment in full of all Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment or declaration of (or in certain circumstances automatic) acceleration (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. S 362(a)). The term "Guaranteed Obligations" is used herein in its most comprehensive sense and includes:

(a) any and all obligations of the Partnership in respect of notes, advances, borrowings, loans, debts, interest, fees, costs, expenses (including, without limitation, legal fees and expenses of counsel), indemnities and liabilities of whatsoever nature now or hereafter made, incurred or created, whether absolute or contingent, liquidated or unliquidated, whether due or not due, arising under or in connection with this Agreement, including those arising under successive borrowing transactions under this Agreement which shall either continue such obligations of the Partnership or from time to time renew them after they have been satisfied; and

(b) those expenses set forth in Section 8.07 hereof.

This Article VIII, as it may be amended, amended and restated, supplemented or otherwise modified from time to time, is sometimes referred to herein as the "Guaranty" or this "Guaranty".

SECTION 8.02. Liability of the Guarantor. The Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than infeasible payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, the Guarantor agrees as follows:

(a) This Guaranty is a guaranty of payment when due and not of collectibility.

(b) The obligations of the Guarantor hereunder are independent of the obligations of the Partnership hereunder and the obligations of any other guarantor of the obligations of the Partnership hereunder, and a separate action or actions may be brought and prosecuted against the Guarantor whether or not any action is brought against the Partnership or any of such other guarantors and whether or not the Partnership is joined in any such action or actions.

(c) The Guarantor's payment of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge the Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if Agent is awarded a judgment in any suit brought to enforce the Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release the Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit.

(d) The Agent or any Lender, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability of this Guaranty or giving rise to any reduction, limitation, impairment, discharge or termination of the Guarantor's liability hereunder, from time to time may (i) renew, extend (whether pursuant to Section 2.16 or otherwise), accelerate (in accordance with the terms of this Agreement), increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment

of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment of this Guaranty or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of Agent or any Lender in respect of this Guaranty or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Agent or Lenders, or any of them, may have against any such security, as Agent in its discretion may determine consistent with this Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of the Guarantor against the Partnership or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it hereunder.

(e) This Guaranty and the obligations of the Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than indefeasible payment in full of the Guaranteed Obligations), including without limitation the occurrence of any of the following, whether or not the Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising hereunder, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including without limitation provisions relating to events of default) of this Agreement, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms of this Agreement or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though Agent or Lenders, or any of them, might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Lender's or Agent's consent to the change, reorganization or termination of the corporate or partnership structure or existence of the Partnership or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses which the Partnership may allege or assert against Agent or any Lender in respect of the Guaranteed Obligations, including but not limited to statute of frauds, statute of limitations, and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of the Guarantor as an obligor in respect of the Guaranteed Obligations.

SECTION 8.03. Waivers by the Guarantor. The Guarantor hereby waives, for the benefit of Lenders and Agent:

(a) any right to require Agent or Lenders, as a condition of payment or performance by the Guarantor, to (i) proceed against the Partnership, any other guarantor of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from the Partnership, any other guarantor of the Guaranteed Obligations or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of Agent or any Lender in favor of the Partnership or any other Person, or (iv) pursue any other remedy in the power of Agent or any Lender whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Partnership including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Partnership from any cause other than indefeasible payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty and any legal or equitable discharge of the Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting the Guarantor's liability hereunder or the enforcement hereof, and (iii) promptness, diligence and any requirement that Agent or any Lender protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guaranty, notices of default hereunder or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Partnership and notices of any of the matters referred to in Section 8.02 and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Guaranty.

SECTION 8.04. Payment by the Guarantor. The Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right which Agent or any other Person may have at law or in equity against the Guarantor by virtue hereof, upon the failure of the Partnership to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment or declaration of (or, in certain circumstances, automatic) acceleration, (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. S 362(a)), the Guarantor will forthwith pay, or cause to be paid, in cash, to Agent for the benefit of Lenders, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including, without limitation, interest which, but for the filing of a petition in bankruptcy with respect to the Partnership, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Partnership for such interest in any such bankruptcy proceeding) and all other Guaranteed Obligations then owed to Agent and/or Lenders as aforesaid.

SECTION 8.05. Subrogation. Until the Guaranteed Obligations shall have been indefeasibly paid in full, the Guarantor shall withhold exercise of (a) any right of subrogation, (b) any right of contribution the Guarantor may have against any other guarantor of the Guaranteed Obligations, (c) any right to enforce any remedy which Agent or any Lender now has or may hereafter have against the Partnership or (d) any benefit of, and any right to participate in, any security now or hereafter held by Agent or any Lender. The Guarantor further agrees that, to the extent that its agreement to defer exercising any of its rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation the Guarantor may have against the Partnership or against any collateral or security, and any rights of contribution the Guarantor may have against any other guarantor, shall be junior and subordinate to any rights Agent or Lenders may have against the Partnership, to all right, title and interest Agent or Lenders may have in any such collateral or security, and to any right Agent or Lenders may have against such other guarantor. Agent, on behalf of Lenders, may use, sell or dispose of any item of collateral or security as it sees fit without regard to any subrogation rights the Guarantor may have, and upon any such disposition or sale any rights of subrogation the Guarantor may have shall terminate. If any amount shall be paid to the Guarantor on account of such subrogation

rights at any time when all Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for Agent on behalf of Lenders and shall forthwith be paid over to Agent for the benefit of Lenders to be credited and applied against the Guaranteed Obligations in accordance with the terms of this Agreement or any applicable security agreement.

SECTION 8.06. Subordination of Other Obligations. Any indebtedness of the Partnership or any Subsidiary of the Partnership now or hereafter held by the Guarantor is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness of the Partnership or any Subsidiary of the Partnership to the Guarantor collected or received by the Guarantor after an Event of Default resulting from a payment default has occurred and is continuing or after an acceleration of the Guaranteed Obligations shall be held in trust for Agent on behalf of Lenders and shall forthwith be paid over to Agent for the benefit of Lenders to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Guarantor under any other provision of this Guaranty.

SECTION 8.07. Expenses. The Guarantor agrees to pay, or cause to be paid, and to save Agent and Lenders harmless against liability for, any and all reasonable costs and out-of-pocket expenses (including fees and disbursements of counsel) incurred or expended by Agent or any Lender in connection with the enforcement of or preservation of any rights under this Guaranty.

SECTION 8.08. Continuing Guaranty; Termination of Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments of all Lenders shall have terminated.

SECTION 8.09. Authority of the Guarantor or the Partnership. It is not necessary for Lenders or Agent to inquire into the capacity or powers of the Guarantor or the Partnership or the officers, directors or any agents acting or purporting to act on behalf of any of them.

SECTION 8.10. Financial Condition of the Partnership. Any Advances may be granted to the Partnership or continued from time to time without notice to or authorization from Guarantor regardless of the financial or other condition of the Partnership at the time of any such grant or continuation. Lenders and Agent shall have no obligation to disclose or discuss with the Guarantor their assessment, or the Guarantor's assessment, of the financial condition of the Partnership. The Guarantor has adequate means to obtain information from the Partnership on a continuing basis concerning the financial condition of the Partnership and its ability to perform its obligations hereunder, and the Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Partnership and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. The Guarantor hereby waives and relinquishes any duty on the part of Agent or any Lender to disclose any matter, fact or thing relating to the business, operations or conditions of the Partnership now known or hereafter known by Agent or any Lender.

SECTION 8.11. Rights Cumulative. The rights, powers and remedies given to Lenders and Agent by this Guaranty are cumulative and shall be in addition to and independent of all rights, powers and remedies given to Lenders and Agent by virtue of any statute or rule of law or under this Agreement or any agreement between the Corporation and Lenders and/or Agent or between the Partnership and Lenders and/or Agent. Any forbearance or failure to exercise, and any delay by any Lender or Agent in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

SECTION 8.12. Bankruptcy; Post-Petition Interest; Reinstatement of the Guaranty. (a) So long as any Guaranteed Obligations remain outstanding, the Guarantor shall not, without the prior written consent of Agent in accordance with the terms of this Agreement, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency proceedings of or against the Partnership. The obligations of the Guarantor under this Guaranty shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership,

reorganization, liquidation or arrangement of the Partnership or by any defense which the Partnership may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) The Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if said proceedings had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of the Guarantor and Agent that the Guaranteed Obligations which are guaranteed by the Guarantor pursuant to this Guaranty should be determined without regard to any rule of bankruptcy or other similar laws or which may relieve the Partnership of any portion of such Guaranteed Obligations. The Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Agent, or allow the claim of Agent in respect of, any such interest accruing after the date on which such proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by the Partnership, the obligations of the Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from Agent or any Lender as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes under this Guaranty.

SECTION 8.13. Notice of Events. As soon as the Guarantor obtains knowledge thereof, the Guarantor shall give Agent written notice of any condition or event which has resulted or might reasonably be expected to result in (a) a material adverse change in the financial condition of the Guarantor or the Partnership, or (b) a breach of or noncompliance with any term, condition or covenant contained in this Agreement or in any document delivered pursuant hereto, or (c) a material breach of, or material noncompliance with, any material term, condition or covenant of any material contract to which the Guarantor or the Partnership is a party or by which the Guarantor or the Partnership or the Guarantor's or the Partnership's property may be bound, or (d) the Guarantor or any of its Subsidiaries being suspended or debarred by any governmental entity from entering into any government contract or government subcontract, from otherwise engaging in any business relating to government contracts or from participation in government non-procurement programs, if such suspension or debarment may have a material adverse effect on the business, condition (financial or otherwise), operations or properties of the Guarantor and its Subsidiaries, taken as a whole.

SECTION 8.14. Set Off. In addition to any other rights any Lender may have under law or in equity, if any amount shall at any time be due and owing by the Guarantor to any Lender under this Guaranty, such Lender is authorized at any time or from time to time, without notice (any such notice being hereby expressly waived), to set off and to appropriate and to apply any and all deposits (including but not limited to indebtedness evidenced by certificates of deposit, whether matured or unmatured, time or demand deposits, provisional or final deposits, or general deposits but not special deposits) and any other indebtedness of such Lender or any Affiliate thereof owing to the Guarantor and any other property of the Guarantor held by such Lender to or for the credit or the account of the Guarantor against and on account of the Guaranteed Obligations and liabilities of Guarantor to such Lender under this Guaranty, and each such Affiliate is hereby irrevocably authorized to permit such setoff and application.

SECTION 8.15. Determination of the Guaranteed Obligations. Notwithstanding anything to the contrary contained in this Guaranty, the determination of the amount and terms of repayment of the Guaranteed Obligations under this Guaranty shall be consistent with such determination pursuant to this Agreement (without giving effect to the effect upon such determination of the Bankruptcy Code) with the result that the liability of the Guarantor under this Guaranty will not exceed the liability which the Guarantor would have had if it had been the Partnership under this Agreement (plus any amounts payable pursuant to Section 8.07 hereof); provided however that the Guarantor's agreements and waivers set forth herein with respect to suretyship defenses (including, without limitation, defenses based on lack of authority of the Partnership or persons signing on behalf of the Partnership or

the illegality, invalidity or unenforceability of this Agreement against the Partnership) shall be fully effective, it being understood that the limitation on the Guarantor's liability set forth above relates only to the determination of the amount and payment terms of the Guaranteed Obligations and does not otherwise limit the Guarantor's obligations under this Guaranty.

SECTION 8.16. Successors and Assigns. This Guaranty is a continuing guaranty and shall be binding upon the Guarantor and its successors and assigns. This Guaranty shall inure to the benefit of Lenders, Agent and their respective successors and assigns. The Guarantor shall not assign this Guaranty or any of the rights or obligations of the Guarantor hereunder without the prior written consent of all Lenders. Any Lender may, without notice or consent, assign its interest in this Guaranty in whole or in part. The terms and provisions of this Guaranty shall inure to the benefit of any assignee or transferee of any rights and obligations under this Agreement, and in the event of such transfer or assignment the rights and privileges herein conferred upon Lenders and Agent shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

SECTION 8.17. Further Assurances. At any time or from time to time, upon the request of Agent or Majority Lenders, the Guarantor shall execute and deliver such further documents and do such other acts and things as Agent or Majority Lenders may reasonably request in order to effect fully the purposes of this Guaranty.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Partnership or the Corporation therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders (except pursuant to Section 2.18) or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the A Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the A Advances or any fees or other amounts payable hereunder (except pursuant to Section 2.16), (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the A Advances, or the number of Lenders, which shall be required for the Lenders or any of them to take any action hereunder, (f) limit or release the liability of the Guarantor under the Guaranty, (g) postpone any date fixed for payment under the Guaranty or (h) amend Section 2.16, Section 2.18 or this Section 9.01; and provided, further, that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement; and provided further, that any amendment, modification, termination or waiver of the principal amount of any B Advance or payments or prepayments by either Borrower in respect thereof, the scheduled maturity dates of any B Advance, the dates on which interest is payable and decreases in interest rates borne by B Advances shall not be effective without the written concurrence of the Lender which has funded such B Advance.

SECTION 9.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to the Corporation, at its address at Computer Sciences Corporation, 2100 East Grand Avenue, El Segundo, California, 90245, Attention: Leon J. Level; if to the Partnership, at its address at CSC Enterprises, 2100 E. Grand Avenue, El Segundo, California 90245, Attention: Leon J. Level; if to any Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, (A) for all notices and communications relating to borrowings or repayments, including,

without limitation, any Notice of Borrowing, Notice of Conversion/Continuation or notice of repayment or prepayment, at its address at Citicorp USA, Inc., c/o Citicorp Securities, Inc., One Court Square, Long Island City, New York 10020, Attention: Michael Wright/Ian Kelly, and (B) for all other notices and communications at its address at Citicorp USA, Inc., 725 South Figueroa Street, Los Angeles, California 90017, Attention: Walter Larsen; or, as to the Corporation, the Partnership or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Corporation, the Partnership and the Agent. All such notices and communications shall, when personally delivered, mailed, telecopied, telegraphed, telexed or cabled, be effective when personally delivered, after five (5) days after being deposited in the mails, when delivered to the telegraph company, when confirmed by telex answerback or when delivered to the cable company, respectively, except that notices and communications to the Agent pursuant to Article II or VII shall not be effective until received by the Agent.

SECTION 9.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 9.04. Costs, Expenses and Indemnification. (a) The Partnership and the Corporation jointly and severally agree to pay promptly on demand all reasonable costs and out-of-pocket expenses of Agent in connection with the preparation, execution, delivery, administration, syndication, modification and amendment of this Agreement, and the other documents to be delivered hereunder or thereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities hereunder. The Partnership and the Corporation further jointly and severally agree to pay promptly on demand all costs and expenses of the Agent and of each Lender, if any (including, without limitation, reasonable counsel fees and out-of-pocket expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable counsel fees and out-of-pocket expenses in connection with the enforcement of rights under this Section 9.04(a).

(b) If any payment of principal of any Eurodollar Rate Advance or B Advance extended to either Borrower is made other than on the last day of the interest period for such Advance, as a result of a payment pursuant to Section 2.06 or acceleration of the maturity of the Advances pursuant to Section 6.01 or for any other reason, such Borrower shall, upon demand by any Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(c) The Partnership and the Corporation jointly and severally agree to indemnify and hold harmless the Agent, each Lender and each director, officer, employee, agent, attorney and affiliate of the Agent and each Lender (each an "indemnified person") in connection with any expenses, losses, claims, damages or liabilities to which the Agent, a Lender or such indemnified persons may become subject, insofar as such expenses, losses, claims, damages or liabilities (or actions or other proceedings commenced or threatened in respect thereof) arise out of the transactions referred to in this Agreement or arise from any use or intended use of the proceeds of the Advances, or in any way arise out of activities of the Borrowers or the Guarantor that violate Environmental Laws, and to reimburse the Agent, each Lender and each indemnified person, upon their demand, for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability, or action or other proceeding, whether commenced or threatened (whether or not the Agent, such Lender or any such person is a party to any action or proceeding out of which any such expense arises). Notwithstanding the foregoing, the Corporation and the Partnership shall have no obligation hereunder to an indemnified person with respect to indemnified liabilities which have resulted from the gross negligence, bad faith or willful misconduct of such indemnified person.

SECTION 9.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (time or demand, provisional or final, or general, but not special) at any time held and other indebtedness at any time owing by such Lender or any Affiliate thereof to or for the credit or the account of either Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement that are then due and payable, whether or not such Lender shall have made any demand under this Agreement, and each such Affiliate is hereby irrevocably authorized to permit such setoff and application. Each Lender agrees promptly to notify the applicable Borrower after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Lender may have.

SECTION 9.06. Binding Effect. This Agreement shall be deemed to have been executed and delivered when it shall have been executed by the Partnership, the Corporation and the Agent and when the Agent shall have been notified by each Bank that such Bank has executed it and thereafter shall be binding upon and inure to the benefit of the Partnership, the Corporation, the Agent and each Lender and their respective successors and permitted assigns, except that the Partnership and the Corporation shall not have the right to assign their rights hereunder or any interest herein without the prior written consent of all Lenders. At the time of the effectiveness of this Agreement, (i) this Agreement shall supersede the Existing Credit Agreements and (ii) the Existing Credit Agreements shall automatically terminate and be of no further force and effect.

SECTION 9.07. Assignments and Participations. (a) Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the A Advances owing to it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any B Advances), (ii) after giving effect to any such assignment, (1) the assigning Lender shall no longer have any Commitment or (2) the amount of the Commitment of each of the assigning Lender and the Eligible Assignee party to such assignment (in each case determined as of the date of the Assignment and Acceptance with respect to such assignment) shall not be less than the lesser of (A) \$10,000,000 and (B) the quotient derived from dividing the product of (x) \$10,000,000 times (y) the aggregate amount of all Commitments (determined as of the date of the Assignment and Acceptance with respect to such assignment) by the greater of (1) \$350,000,000 or (2) the aggregate amount of the Commitments, (iii) each such assignment shall be to an Eligible Assignee, and (iv) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, and a processing and recordation fee of \$2,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto). Any Lender may at any time pledge or assign all or any portion of its rights hereunder to any Affiliate of such Lender or any Federal Reserve Bank; provided, that no such pledge or assignment shall release such Lender from any of its obligations hereunder.

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability,

genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Partnership or the Corporation or the performance or observance by the Partnership or the Corporation of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and Section 4.02, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) The Agent shall maintain at its address referred to in Section 9.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, the Commitment Termination Date of, and, with respect to each Borrower, principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrowers, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Within five days of its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee (together with a processing and recordation fee of \$2,500 with respect thereto) and upon consent of the Borrowers thereto, which consent shall not be unreasonably withheld, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, (1) accept such Assignment and Acceptance and (2) record the information contained therein in the Register. All communications with the Borrowers with respect to such consent of the Borrowers shall be either sent pursuant to Section 9.02 or sent to the following: CSC Enterprises, 2100 E. Grand Avenue, El Segundo, California 90245, Attention: Leon J. Level, Telephone No.: (310) 615-1728, Facsimile No.: (310) 322-9767.

(e) Each Lender may assign to one or more banks or other entities any B Advance or B Advances made by it.

(f) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it; provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrowers hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Advance for all purposes of this Agreement, (iv) the Borrowers, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and (v) no Lender shall grant any participation under which the participant shall have rights to require such Lender to take or omit to take any action hereunder or approve any amendment to or waiver of this Agreement, except to the extent such amendment or waiver would: (A) extend the Termination Date of such Lender; or (B) reduce the interest rate or the amount of principal or fees applicable to Advances or the Commitment in which such participant is participating.

(g) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.07, disclose to the assignee or participant or proposed

assignee or participant, any information relating to the Partnership or the Corporation furnished to such Lender by or on behalf of the Partnership or the Corporation; provided that, prior to any such disclosure, the assignee or Participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Partnership or the Corporation received by it from such Lender.

SECTION 9.08. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 9.09. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 9.10. Consent to Jurisdiction; Waiver of Immunities. The Partnership and the Corporation hereby irrevocably submit to the jurisdiction of any New York state or Federal court sitting in New York, New York in any action or proceeding arising out of or relating to this Agreement, and the Partnership and the Corporation hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York state or Federal court. The Partnership and the Corporation hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Partnership and the Corporation agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 9.10 shall affect the right of any Lender or Agent to serve legal process in any other manner permitted by law or affect the right of any Lender or Agent to bring any action or proceeding against the Partnership and the Corporation or their respective property in the courts of any other jurisdiction.

SECTION 9.11. Waiver of Trial by Jury. THE PARTNERSHIP, THE CORPORATION, THE BANKS, THE AGENT AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, OTHER LENDERS EACH HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Partnership, the Corporation, the Banks, the Agent and, by its acceptance of the benefits hereof, other Lenders each (i) acknowledges that this waiver is a material inducement for the Partnership, the Corporation, the Lenders and the Agent to enter into a business relationship, that the Partnership, the Corporation, the Lenders and the Agent have already relied on this waiver in entering into this Agreement or accepting the benefits thereof, as the case may be, and that each will continue to rely on this waiver in their related future dealings and (ii) further warrants and represents that each has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

SECTION 9.12. Limited Liability of Certain Partners of the Partnership. The Agent and each Lender agree for themselves and their successors and assigns that any claim against Equifax Ventures Inc., CBI Ventures Inc. and Merel Corporation or their successors (collectively, the "Limited Liability Partners") which may arise hereunder shall be made only against and shall be limited to the partnership interest in the Partnership owned by such Limited Liability Partners, any right to proceed against any Limited Liability Partner individually or any of their respective assets, other than with respect to their respective partnership interests in the Partnership, being hereby expressly waived and renounced by the Agent and each Lender. Nothing in this Section 9.12 shall be construed so as to prevent the Agent or any Lender from commencing any legal action, suit or proceeding with respect to, or causing legal papers to be served upon, any of the Limited Liability Partners for the purpose of obtaining jurisdiction over the Partnership or any of the Limited Liability Partners.

SECTION 9.13. Survival of Warranties. All agreements, representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement and any increase in the Commitments under this Agreement.

SECTION 9.14. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 9.15. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

COMPUTER SCIENCES CORPORATION, a Nevada corporation,
as Borrower and as Guarantor

By /s/ Leon J. Level

Leon J. Level
Title: Vice President

CSC ENTERPRISES,
a Delaware general partnership,
as Borrower

By CSC ENTERPRISES, INC.
Its Managing Partner

By /s/ Leon J. Level

Leon J. Level
Title: Vice President

CITICORP USA, INC.,
as Agent

By /s/ Marjorie Futornick

Marjorie Futornick
Title: Vice President

Commitment
- - - - -

Banks

\$45,000,000.00

CITICORP USA, INC.

By /s/ Marjorie Futornick

Marjorie Futornick
Title: Vice President

\$30,000,000.00

BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION

By /s/ Lori Kannegieter

Lori Kannegieter
Title: Vice President

\$30,000,000.00

CHEMICAL BANK

By /s/ John J. Huber

John J. Huber
Title: Managing Director

\$30,000,000.00

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By /s/ Robert Osieski

Robert Osieski
Title: Vice President

\$20,000,000.00

BANK BRUSSELS LAMBERT
NEW YORK BRANCH

By /s/ Eric Hollanders

Eric Hollanders
Title: Senior Vice President
Credit Department

By /s/ Dominick H.J. Vanaever

Dominick H.J. Vanaever
Title: Vice President
Credit Department

\$20,000,000.00

THE BANK OF NEW YORK

By /s/ Craig Rethmeyer

Craig Rethmeyer
Title: Vice President

\$20,000,000.00

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ L. Gene Beube

L. Gene Beube
Title: Senior Vice President

\$20,000,000.00

MELLON BANK, N.A.

By /s/ Lawrence C. Ivey

Lawrence C. Ivey
Title: Vice President

\$20,000,000.00

NATIONAL WESTMINSTER BANK PLC
Los Angeles Overseas Branch

By /s/ Michael E. Keating

Michael E. Keating
Title: Vice President

\$20,000,000.00

NATIONSBANK OF TEXAS, N.A.

By /s/ Michele M. Shafroth

Michele M. Shafroth
Title: Senior Vice President

\$20,000,000.00

NBD BANK

By /s/ James L. Frye

James L. Frye
Title: First Vice President

\$15,000,000.00

ABN AMRO BANK N.V.
Los Angeles International Branch

By /s/ John A. Miller

John A. Miller
Title: Vice President

By /s/ Ellen M. Coleman

Ellen M. Coleman
Title: Asistant Vice President

\$15,000,000.00

THE BANK OF NOVA SCOTIA

By /s/ Chris Johnson

Chris Johnson
Title: Sr. Relationship Manager

\$15,000,000.00

CORESTATES BANK, N.A.

By /s/ Joseph M. Finley

Joseph M. Finley
Title: Vice President

\$15,000,000.00

FIRST INTERSTATE BANK OF CALIFORNIA

By /s/ William J. Baird

William J. Baird
Title: Senior Vice President

\$15,000,000.00

SOCIETE GENERALE

By /s/ J. Staley Stewart

J. Staley Stewart
Title: Vice President

\$350,000,000

Total of the Commitments

SCHEDULE I
 COMPUTER SCIENCE CORPORATION and CSC ENTERPRISES
 CREDIT AGREEMENT

Name of Bank	Domestic Lending Office	Eurodollar Lending Office
CITICORP USA, INC.	c/o Citicorp Securities, Inc. One Court Square Long Island City, NY 11120 Attn: Mark Wilson Ian Kelly	c/o Citicorp Securities, Inc. One Court Square Long Island City, NY 11120 Attn: Mark Wilson Ian Kelly
BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION	1850 Gateway Blvd. 4th Floor Concord, CA 94520	1850 Gateway Blvd. 4th Floor Concord, CA 94520
CHEMICAL BANK	270 Park Avenue 9th Floor New York, NY 10017	270 Park Avenue 9th Floor New York, NY 10017
MORGAN GUARANTY TRUST COMPANY OF NEW YORK	J.P. Morgan Services, Inc. 500 Stanton-Christiana Road Newark, DE 19713-2107 Attn: Loan Department	Nassau Bahamas Office c/o J.P.Morgan Services, Inc. 500 Stanton-Christiana Road Newark, DE 19713-2107 Attention: Loan Department
THE BANK OF NEW YORK	10990 Wilshire Blvd. Suite 1700 Los Angeles, CA 90024	10990 Wilshire Blvd Suite 1700 Los Angeles, CA 90024
THE FIRST NATIONAL BANK OF CHICAGO	1 First National Plaza Suite 0324, 1-10 Chicago, IL 60670	1 First National Plaza Suite 0324, 1-10 Chicago, IL 60670
MELLON BANK, N.A.	Three Mellon Bank Center Room 2304 Pittsburgh, PA 15259	Three Mellon Bank Center Room 2304 Pittsburgh, PA 15259
NATIONSBANK OF TEXAS, N.A.	901 Main Street 67th Floor Dallas, TX 75202	901 Main Street 67th Floor Dallas, TX 75202

NBD BANK, N.A.	611 Woodward Avenue National Banking Division Detroit, MI 48226	611 Woodward Avenue National Banking Division Detroit, MI 48226
BANK BRUSSELS LAMBERT, NEW YORK BRANCH	630 Fifth Avenue New York, NY 10111	630 Fifth Avenue New York, NY 10111
THE BANK OF NOVA SCOTIA	101 California Street 48th Floor San Francisco, CA 94111	101 California Street 48th Floor San Francisco, CA 94111
CORESTATES BANK, N.A.	P. O. Box 7618 Broad & Chestnut Streets Philadelphia, PA 19101-7618	P. O. Box 7618 Broad & Chestnut Streets Philadelphia, PA 19101-7618
FIRST INTERSTATE BANK OF CALIFORNIA	707 Wilshire Blvd. Suite W16-13 Los Angeles, CA 90017	707 Wilshire Blvd. Suite W16-13 Los Angeles, CA 90017
NATIONAL WESTMINSTER BANK PLC	Los Angeles Overseas Branch c/o National Westminster Bank PLC 175 Water Street New York, NY 10038-4924	Nassau Branch 175 Water Street New York, NY 10038-4924
SOCIETE GENERALE	2029 Century Park East Suite 2900 Los Angeles, CA 90067	2029 Century Park East Suite 2900 Los Angeles, CA 90067
ABN AMRO BANK N.V.	Los Angeles International Branch 300 South Grand Ave., Suite 1115 Los Angeles, CA 90071	Los Angeles International Branch 300 South Grand Ave., Suite 1115 Los Angeles, CA 90071

EXHIBIT A-1

NOTICE OF A BORROWING

[Date]

Citicorp USA, Inc., as Agent
for the Lenders party
to the Credit Agreement
referred to below

c/o Citicorp Securities, Inc.
One Court Square
Long Island City, New York 10020
Attention: Michael Wright/Ian Kelly

Gentlemen:

Each of the undersigned, CSC Enterprises (the "Partnership") and Computer Sciences Corporation (the "Corporation"), refers to the Credit Agreement dated as of September 6, 1995 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Partnership, the Corporation, certain Lenders party thereto and Citicorp USA, Inc., as Agent for said Lenders. The [Partnership] [Corporation] hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the [Partnership] [Corporation] hereby requests an A Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such A Borrowing (the "Proposed A Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed A Borrowing is _____, 19__.

(ii) The Type of A Advances comprising the Proposed A Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed A Borrowing is \$_____.

(iv) If the Type of A Advances comprising the Proposed A Borrowing is Eurodollar Rate Advances, the Interest Period for each A Advance made as part of the Proposed A Borrowing is __ month[s].

Each of the undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed A Borrowing:

(A) the representations and warranties contained in Article IV of the Credit Agreement are correct, before and after giving effect to the Proposed A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date;

(B) no event has occurred and is continuing, or would result from such Proposed A Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Potential Event of Default; and

(C) either (i) the amount of the Proposed A Borrowing does not exceed the aggregate amount of the unused Commitments of the Lenders (after giving effect to any B Reductions but without giving effect to any CP Reductions) and the proceeds of the Proposed A Borrowing will be used to repay Commercial Paper, or (ii) the amount of the Proposed A Borrowing does not exceed the aggregate amount of the unused Commitments of the Lenders after giving effect to any CP Reductions and (unless the

proceeds of the Proposed A Borrowing will be used to repay the principal amount of B Advances) any B Reductions.

The Corporation hereby further certifies that after giving effect to the Proposed A Borrowing, the aggregate amount of the Guaranteed Obligations (as defined in the Credit Agreement), together with all other Debt (including any Advances under the Credit Agreement) incurred by the Corporation pursuant to the resolutions of the Board of Directors of the Corporation authorizing the Credit Agreement, does not exceed the aggregate amount of Debt authorized by such resolutions.

Very truly yours,

CSC ENTERPRISES, a Delaware general partnership

By CSC Enterprises, Inc.,
Its Managing Partner

By: _____
Title:

COMPUTER SCIENCES CORPORATION

By: _____
Title:

EXHIBIT A-2

NOTICE OF B BORROWING

[Date]

Citicorp USA, Inc., as Agent
for the Lenders party
to the Credit Agreement
referred to below

c/o Citicorp Securities, Inc.
One Court Square
Long Island City, New York 10020
Attention: Michael Wright/Ian Kelly

Gentlemen:

Each of the undersigned, CSC Enterprises (the "Partnership") and Computer Sciences Corporation (the "Corporation"), refers to the Credit Agreement dated as of September 6, 1995 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Partnership, the Corporation, certain Lenders party thereto and Citicorp USA, Inc., as Agent for said Lenders. The [Partnership] [Corporation] hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that the [Partnership] [Corporation] hereby requests a B Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such B Borrowing (the "Proposed B Borrowing") is requested to be made:

- (A) Date of B Borrowing _____
- (B) Amount of B Borrowing _____
- (C) Maturity Date _____
- (D) Interest Rate Basis _____
- (E) Interest Payment Date(s) _____
- (F) _____
- (G) _____
- (H) _____

Each of the undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed B Borrowing:

(a) the representations and warranties contained in Article IV of the Credit Agreement are correct, before and after giving effect to the Proposed B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date;

(b) no event has occurred and is continuing, or would result from the Proposed B Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Potential Event of Default;

(c) the aggregate amount of the Proposed B Borrowing and all other Borrowings to be made on the same day under the Credit Agreement is within the aggregate amount of the unused Commitments of the Lenders; and

(d) the aggregate amount of all B Advances (including the Proposed B Borrowing) scheduled to be outstanding at any time through the maturity of such B Advances does not exceed the aggregate amount of the Commitments of the Lenders scheduled to be in effect at such time (giving effect to any CP Reductions but without giving effect to any B Reductions).

The [Partnership] [Corporation] hereby confirms that the Proposed B Borrowing is to be made available to it in accordance with Section 2.03(a)(v) of the Credit Agreement.

The Corporation hereby further certifies that after giving effect to the Proposed B Borrowing, the aggregate amount of the Guaranteed Obligations (as defined in the Credit Agreement), together with all other Debt (including any Advances under the Credit Agreement) incurred by the Corporation pursuant to the resolutions of the Board of Directors of the Corporation authorizing the Credit Agreement, does not exceed the aggregate amount of Debt authorized by such resolutions.

Very truly yours,

CSC ENTERPRISES, a Delaware general partnership

CSC ENTERPRISES, INC.,
Its Managing Partner

By _____
Title:

COMPUTER SCIENCES CORPORATION

By: _____
Title:

EXHIBIT B

ASSIGNMENT AND ACCEPTANCE

Dated _____, 19__

Reference is made to the Credit Agreement dated as of September 6, 1995 (as amended from time to time, the "Credit Agreement") among Computer Sciences Corporation, a Nevada corporation (the "Corporation"), CSC Enterprises, a Delaware general partnership (the "Partnership"), the Lenders (as defined in the Credit Agreement) and Citicorp, USA, Inc., as Agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement and not defined herein are used herein with the same meaning.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns without recourse to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the Effective Date (other than in respect of B Advances) which represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement (other than in respect of B Advances), including, without limitation, such interest in the Assignor's Commitment and the A Advances owing to the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment, the amount of the A Advances owing to the Assignee, and the Commitment Termination Date of the Assignee will be as set forth in Section 2 of Schedule 1. In consideration of Assignor's assignment, Assignee hereby agrees to pay to Assignor, on the Effective Date, the amount of \$_____ in immediately available funds by wire transfer to Assignor's office at _____.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Partnership or the Corporation or the performance or observance by the Partnership or the Corporation of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 and Section 4.02 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made

to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty]./1/ 4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Agent, unless otherwise specified on Schedule 1 hereto (the "Effective Date").

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

[FN]

- - - - -

/1/ If the Assignee is organized under the laws of a jurisdiction outside the United States.

Schedule 1
to
Assignment and Acceptance
Dated _____, 19__

Section 1.

Percentage Interest: _____%

Section 2.

Assignee's Commitment: \$_____

Aggregate Outstanding Principal Amount of A Advances owing to the Assignee: \$_____

A Advances payable to the Assignee: Principal amount: _____

A Advances payable to the Assignor: Principal amount: _____

Assignee's Commitment Termination Date: _____, 199__

Section 3.

Effective Date/2/: _____, 199__ [NAME OF
ASSIGNOR] By: _____
Title: [NAME OF ASSIGNEE]
By: _____ Title:

Domestic Lending Office (and
address for notices):
[Address]

Eurodollar Lending Office:
[Address]

[FN]

/2/ This date should be no earlier than the date of acceptance by the Agent.

Accepted this ____ day
of _____, 199_

CITICORP USA, INC., as Agent

By: _____
Title:

COMPUTER SCIENCES CORPORATION,
a Nevada corporation

By: _____
Title:

CSC ENTERPRISES, a Delaware
general partnership

By CSC ENTERPRISES, INC.,
Its Managing Partner

By: _____
Title:

EXHIBIT C-1

(LETTERHEAD OF GIBSON, DUNN & CRUTCHER)

September 6, 1995

(213) 229-7236

Citicorp USA, Inc., as Agent
under the Credit Agreement
(as hereinafter defined), and each
of the financial institutions party
to the Credit Agreement
(collectively, the "Banks")
725 South Figueroa Street
Los Angeles, California 90017

Re: Credit Agreement dated as of Sept. 6, 1995 among CSC Enterprises,
Computer Sciences Corporation, the Banks and Citicorp USA, Inc., as Agent
for the Banks

Ladies and Gentlemen:

We have acted as special counsel to CSC Enterprises, a Delaware general partnership (the "Partnership"), and Computer Sciences Corporation, a Nevada corporation (the "Company" and, together with the Partnership, the "Borrowers"), in connection with the Credit Agreement dated as of Sept. 6, 1995 (the "Credit Agreement") among the Partnership, the Company, the Banks and Citicorp USA, Inc., as Agent for the Banks (in such capacity, the "Agent"). Terms defined in the Credit Agreement and not otherwise defined herein are used herein as therein defined.

This opinion is rendered to you pursuant to Section 3.01(h) of the Credit Agreement.

In rendering this opinion, we have reviewed the Credit Agreement and such other documents, certificates or statements of public officials and officers of the Company

and the Managing Partner and of such other persons, and have considered such matters of law, as we deem necessary for purposes of this opinion.

We have, with your permission, assumed, without investigation or inquiry with respect to any such matter, that:

(a) (i) The Company is a validly existing corporation in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to execute, deliver and perform its obligations under the Credit Agreement (including, without limitation, Article VIII therein). The Credit Agreement has been duly authorized by all necessary corporate action on the part of the Company and has been duly executed and delivered by the Company. (ii) The Partnership is a general partnership validly existing under the law of the State of Delaware and has all requisite partnership power and authority to execute and deliver and performance obligations under the Credit Agreement. The Managing Partner is a corporation validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to execute and deliver the Credit Agreement on behalf of the Partnership. The execution and delivery of the Credit Agreement by the Managing Partner, acting in its capacity as the managing general partner on behalf of the Partnership, has been duly authorized by all necessary corporate action on behalf of the Managing Partner, and the Credit Agreement has been duly executed and delivered by the Managing Partner, on behalf of the Partnership. We understand that there has been delivered to you an opinion of Hayward D. Fisk, Esq., Vice President and General Counsel of the Company, with respect to such matters.

(b) Neither the execution and delivery of the Credit Agreement by the Partnership, nor the consummation of the transactions contemplated thereby, conflicts or constitutes a violation of the Partnership Agreement, as in effect on the date hereof.

(c) To the extent that the obligations of the Borrowers may be dependent upon such matters, each of the Banks and the Agent has all requisite power and authority to execute, deliver and perform its obligations under the Credit Agreement; the execution and delivery of the Credit Agreement and performance of such obligations have been duly authorized by all necessary action on the part of such Bank and the Agent; the Credit Agreement has been duly executed and delivered by such Bank or the Agent; and the Credit Agreement is the legal, valid and binding obligation of such Bank or the Agent, enforceable against it in accordance with its terms.

(d) The signatures on all documents examined by us are genuine, and, except as to the Borrowers (with respect to which the following assumption in this clause (d) does not apply), all individuals executing such documents were thereunto duly authorized.

(e) The Documents submitted to us as originals are authentic and the documents submitted to us as certified or reproduction copies conform to the originals.

With respect to any opinion herein in regard to the existence or absence of facts that is stated to be to our actual knowledge, such statement means that, during the course of our representation of the Borrowers, no information has come to the attention of the lawyers in our Firm participating in such representation that has given them actual knowledge of facts contrary to the existence or absence of the facts indicated. No inference as to our knowledge of the existence or absence of such facts should be drawn from our representation of the Borrowers.

Based upon the foregoing, and subject to the qualifications, exceptions, limitations and assumptions hereinafter set forth, we are of the opinion that:

1. The Credit Agreement constitutes the legal, valid and binding obligation of each Borrower, enforceable against such Borrower in accordance with its terms.

2. Neither the execution and delivery by either Borrower of the Credit Agreement, nor the consummation of the transactions contemplated thereby, nor compliance on or prior to the date hereof with the terms and conditions thereof by each Borrower, will result in a violation of any applicable federal or New York law, governmental rule or regulation or of the Nevada General Corporation Law or the Delaware Uniform Partnership Law.

3. Neither the making of the Advances on the Effective Date pursuant to, nor application of the proceeds thereof in accordance with, the Credit Agreement, will violate Regulations G, T, U or X promulgated by the Board of Governors of the Federal Reserve System.

4. No consent, approval or authorization of, and no registration, declaration or filing with, any administrative, governmental or other public authority of the United States of America or the State of New York or under the Nevada General Corporation Law or the Delaware Uniform Partnership Law is required by law to be obtained or made by either Borrower for the execution, delivery and performance by such Borrower of the Credit Agreement, except such filings as may be required in the ordinary course to keep in full force and effect rights and franchises material to the business of the Borrowers and in connection with the payment of taxes.

Each of the opinions set forth above are subject to the following qualifications, exceptions, limitations and assumptions:

(a) Our opinions are subject to (i) the effect of bankruptcy, insolvency, reorganization, moratorium, arrangement and other similar laws affecting enforcement of creditors' rights generally, including, without limitation, the effect of statutory or other laws regarding fraudulent conveyances or transfers, preferential transfers and laws affecting distributions by corporations to stockholders and (ii) general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law, including, without limitation, concepts of materiality, reasonableness, good faith and fair

dealing and the possible unavailability of specific performance or other equitable remedy (whether sought in a proceeding at law or in equity).

(b) We have assumed that no agreement exists that would expand, modify or otherwise affect the respective rights or obligation of the parties to the Credit Agreement. We have no actual knowledge of any such agreement.

(c) We express no opinion with respect to the legality, validity, binding effect or enforceability of (i) any provision of the Credit Agreement to the effect that rights or remedies are not exclusive or may be exercised without notice, that every right or remedy is cumulative and may be exercised in addition to any other right or remedy, that the election of some particular remedy does not preclude recourse to one or more others or that failure to exercise or delay in exercising rights or remedies will not operate as a waiver of any such right or remedy; (ii) any waiver or any consent (whether or not characterized as a waiver or consent in the Credit Agreement) relating to the rights of either Borrower, or to duties owing to it, existing as a matter of law, to the extent such waivers or consents are found by a court to be against public policy or are ineffective pursuant to New York statutes or judicial decisions; (iii) provisions construed as imposing penalties or forfeitures; (iv) broadly or vaguely stated waivers of rights or duties, or waivers which do not describe the right or duty purportedly waived with reasonable specificity or which involve unknown future rights; (v) provisions waiving the applicable statute of limitations; (vi) any rights of setoff, other than as provided by Section 151 of the Debtor and Creditor Law of the State of New York, as interpreted by applicable judicial decisions; or (vii) any provision relating to indemnification or contribution to the extent such indemnification or contribution relates to any claims made under the Federal securities laws or state securities or Blue Sky laws or is otherwise limited by public policy.

(d) We express no opinion as to the effect on enforceability of Article VIII of the Credit Agreement against the Company of any facts or circumstances that exist or occur after the date hereof that would exonerate, or would constitute a defense to the obligation of, a surety, unless the effect of such facts or circumstances is effectively waived.

(e) We express no opinion as to the application of, or the effect of the Agent's or any Bank's compliance or non-compliance with, any state or federal laws that are applicable to the transactions contemplated by the Credit Agreement only because of the nature of the Agent's or any Bank's business.

We render no opinion herein as to matters involving the laws of any jurisdiction other than the United States of America and the State of New York; however, we are generally familiar with the General Corporation Law of the State of Nevada and the Uniform Partnership Law as in effect in the State of Delaware and have made such inquiries as we consider necessary to render our opinions expressed in Paragraphs 2 and 4 hereof. This opinion is limited to the effect of the present state of the laws of the United States of America and the State of New York and, to the extent set forth in the preceding sentence, the States of Delaware and Nevada. In rendering this opinion, we

assume no obligation to revise or supplement this opinion should the present laws, or the interpretation thereof, be changed.

This opinion is rendered to the Agent and the Banks as of the date hereof in connection with the Credit Agreement, and may not be relied upon by any person other than the Agent and the Banks and their permitted assignees, or by them in any other context, and may not be furnished to any other person or entity without our prior written consent, provided that each Bank and its permitted assignees may provide this opinion (i) to bank examiners and other regulatory authorities should they so request or in connection with their normal examination, (ii) to the independent auditors and attorneys of such Bank, (iii) pursuant to order or legal process of any court or governmental agency, (iv) in connection with any legal action to which the Bank is a party arising out of the transactions contemplated by the Credit Agreement, or (v) in connection with the assignment of or sale of participations in the Advances.

Very truly yours,

GIBSON, DUNN & CRUTCHER

EXHIBIT C-2

(FORM OF OPINION OF GENERAL COUNSEL OF
COMPUTER SCIENCES CORPORATION)

September 6, 1995

Citicorp USA, Inc., as Agent under the
Credit Agreement (as hereinafter
defined), and each of the financial
institutions party to the Credit
Agreement and listed on Schedule I
attached hereto (collectively, the
"Banks")

725 South Figueroa Street
Los Angeles, California 90017

Re: Credit Agreement dated as of September 6, 1995, among Computer Sciences
Corporation, CSC Enterprises, the Banks and Citicorp USA, Inc., as Agent
for the Banks

Ladies and Gentlemen:

I am the General Counsel of Computer Sciences Corporation, a Nevada
corporation (the "Corporation"), and counsel to CSC Enterprises, a Delaware
general partnership (the "Partnership"). This opinion is being rendered to
you in connection with the Credit Agreement dated as of September 6, 1995 (the
"Credit Agreement") among the Corporation, the Partnership, the Banks and
Citicorp USA, Inc., as Agent for the Banks (in such capacity, the "Agent").
Terms defined in the Credit Agreement and not otherwise defined herein are
used herein as therein defined.

In rendering this opinion, I have examined originals or copies, certified or
otherwise identified to my satisfaction as being true copies, of the following
documents and instruments:

(a) the Credit Agreement;

(b) resolutions of the Board of Directors of the Corporation in respect of the Credit Agreement and the transactions contemplated thereby, and a copy of the certificate of incorporation and by-laws of the Corporation in effect on the date hereof;

(c) resolutions of the Board of Directors of the Managing Partner in respect of the Credit Agreement and the transactions contemplated thereby, and a copy of the certificate of incorporation and by-laws of the Managing Partner in effect on the date hereof; and

(d) certificates of recent date of the Secretary of State of the State of Nevada as to the legal existence of each of the Corporation and the Managing Partner in good standing under the laws of the State of Nevada.

I have also reviewed such other documents, certificates or statements of public officials and such other persons, and have made such other investigation of fact and law, as I deem necessary for purposes of this opinion.

With respect to questions of fact material to the opinions expressed below, I have, with your consent, relied upon certificates of public officials and officers of the Corporation and the Managing Partner, in each case without having independently verified the accuracy or completeness thereof.

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

1. The Corporation is a validly existing corporation in good standing under the laws of the State of Nevada, and is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions which require such qualification, except to the extent that failure to so qualify would not have a material adverse effect on the Corporation. The Corporation has all requisite corporate power and authority to own and operate its properties, to conduct its business as presently conducted, and to execute, deliver and perform its obligations under the Credit Agreement.

2. The Partnership is a general partnership validly existing under the laws of the State of Delaware and has all requisite partnership power and authority to own and operate its properties, to conduct its business as

presently conducted, and to execute, deliver and perform its obligations under the Credit Agreement.

3. The Managing Partner is a corporation validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to own and operate its properties, to conduct its business as presently conducted and to execute and deliver the Credit Agreement on behalf of the Partnership.

4. The Credit Agreement has been duly authorized by all necessary corporate action on the part of the Corporation, and has been duly executed and delivered by the Corporation. The Credit Agreement has been duly authorized by all necessary partnership action on the part of the Partnership. The execution and delivery of the Credit Agreement by the Managing Partner, acting in its capacity as the managing general partner of the Partnership, has been duly authorized by all necessary corporate action on behalf of the Managing Partner, and the Credit Agreement has been duly executed and delivered by the Managing Partner on behalf of the Partnership.

5. Neither the execution and delivery of the Credit Agreement by the Corporation, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the certificate of incorporation or bylaws of the Corporation, each as in effect on the date hereof. Neither the execution and delivery by the Corporation of the Credit Agreement, performance of its obligations thereunder, nor the consummation of the transactions contemplated thereby, constitutes a violation of any applicable federal law, rule or regulation or of the General Corporation Law of the State of Nevada.

6. Neither the execution and delivery of the Credit Agreement by the Partnership, nor the consummation of the transactions contemplated thereby, conflicts with or is a violation of the Partnership Agreement, as in effect on the date hereof. Neither the execution and delivery by the Partnership of the Credit Agreement, performance of its obligations thereunder, nor the consummation of the transactions contemplated thereby, constitutes a violation of any applicable federal law, rule or regulation or of the Uniform Partnership Law of the State of Delaware.

7. No consent, approval or authorization of, and no registration, declaration or filing with, any administrative, governmental or other public authority of the United States of America, or under the General Corporation Laws of the State of Nevada or the Uniform Partnership Law of the State of Delaware, is required to be obtained or made by either Borrower for the

execution, delivery and performance by such Borrower of the Credit Agreement, except such filings as may be required in the ordinary course to keep in full force and effect rights and franchises material to the business of the Borrowers and in connection with the payment of taxes.

8. Neither of the Borrowers is an "investment company" or a Person directly or indirectly "controlled" by or "acting on behalf of" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

I am admitted to the practice of law before the United States Supreme Court and several lower federal courts, as well as the state courts of Kansas, Pennsylvania and the District of Columbia. My opinion with respect to foreign qualification contained in Paragraph 1 hereof is based solely upon a review of unofficial compilations of the provisions of the statutory laws of the relevant jurisdictions. I expressly disclaim any obligation or undertaking to update or modify this opinion as a consequence of any future changes in the applicable laws or in the facts bearing upon this opinion.

I call to your attention that I am not admitted to the practice of law in the States of Nevada or Delaware; however, I am generally familiar with the General Corporation Law of the State of Nevada and the Uniform Partnership Law of the State of Delaware, and have made such inquiries as I consider necessary to render the opinions expressed herein.

This opinion is limited to the effect of the present state of the General Corporation Law of the State of Nevada, the Uniform Partnership Law of the State of Delaware and the laws of the relevant jurisdictions, to the extent set forth in the preceding two paragraphs. In rendering this opinion, I assume no obligation to revise or supplement this opinion should the present laws, or the interpretation thereof, be changed.

This opinion is rendered to the Agent and the Banks as of the date hereof in connection with the Credit Agreement, and may not be relied upon by any person other than the Agent and the Banks and their permitted assignees, or by them in any other context, and may not be furnished to any other person or entity without my prior written consent, provided that each Bank and its permitted assignees may provide this opinion (i) to bank examiners and other regulatory authorities should they so request or in connection with their normal examination, (ii) to the independent auditors and attorneys of such Bank, (iii) pursuant to order or legal process of any court or governmental agency, (iv) in connection with any legal action to which the Bank is a party arising out of the transactions contemplated by the Credit Agreement or (v)

in connection with the assignment of or sale of participations in the
Advances.

Very truly yours,

Hayward D. Fisk

SCHEDULE I

Citicorp USA, Inc.
Bank of America National Trust and Savings Association
Chemical Bank
Morgan Guaranty Trust Company of New York
J. P. Morgan Delaware
The Bank of New York
The First National Bank of Chicago
Mellon Bank, N.A.
NationsBank of Texas, N.A.
NBD Bank, N.A.
Bank Brussels Lambert
The Bank of Nova Scotia
ABN AMRO Bank, N.V.
CoreStates Bank, N.A.
First Interstate Bank of California
National Westminster Bank PLC
Societe Generale

EXHIBIT D

[FORM OF INCREASE REQUEST]

CSC ENTERPRISES,
A DELAWARE GENERAL PARTNERSHIP

COMPUTER SCIENCES CORPORATION

REQUEST FOR INCREASE OF COMMITMENTS

[Date]

Citicorp USA, Inc., as Agent
for the Lenders party
to the Credit Agreement
referred to below

725 South Figueroa Street
Los Angeles, CA 90017
Attention: Walter Larsen

Gentlemen:

Pursuant to that certain Credit Agreement dated as of September 6, 1995 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among Computer Sciences Corporation (the "Corporation"), CSC Enterprises (the "Partnership"), certain Lenders party thereto and Citicorp USA, Inc., as Agent for said Lenders, this represents the Partnership's and the Corporation's joint request to increase the Commitment(s) of the Lender(s) set forth below to the (respective) amount(s) set forth below [1] pursuant to Section 2.18 of the Credit Agreement.

Lender	Commitment Before Giving Effect to Requested Increase	Commitment After Giving Effect to Requested Increase
--------	---	--

Each of the undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the effectiveness of the increase requested hereby ("Proposed Increase"):

(a) the representations and warranties contained in Article IV of the Credit Agreement are correct, before and after giving effect to the Proposed Increase;

(b) no event has occurred and is continuing, or would result from the Proposed Increase, which constitutes an Event of Default or a Potential Event of Default;

[FN]

[1] Complete for each Increasing Lender.

(c) the balance sheet of the Corporation and its Subsidiaries as at _____, 199_[/2], and the related statements of income and retained earnings of the Corporation and its Subsidiaries for the fiscal year then ended, and the balance sheet of the Partnership and its Subsidiaries as at _____, 199_[/3], and the related statements of income and retained earnings of the Partnership for the fiscal year then ended, copies of each of which have been furnished to each Lender, fairly present the financial condition of the Corporation and its Subsidiaries or the Partnership and its Subsidiaries, as the case may be, as at such applicable date and the results of the operations of Corporation and its Subsidiaries or the Partnership and its Subsidiaries, as the case may be, for the fiscal year ended on such applicable date, all in accordance with GAAP consistently applied, and since _____, 199_[2], and _____, 199_[3], respectively, there has been no material adverse change in the business, condition (financial or otherwise), operations or properties of the Corporation and its Subsidiaries, taken as a whole, or of the Partnership and its Subsidiaries, taken as a whole;

(d) after giving effect to such increase and all prior increases in the Commitments since the Effective Date, (i) the aggregate amount of the Commitments does not exceed \$525,000,000 and (ii) no Lender's Commitment exceeds 50% of the aggregate amount of the Commitments; and

(e) the higher of the Ratings is equal to or better than BBB or Baa2.

The Corporation hereby further certifies that after giving effect to the Proposed Increase, the aggregate amount of the Guaranteed Obligations (as defined in the Credit Agreement), together with all other Debt (including any Advances under the Credit Agreement) incurred by Corporation pursuant to the resolutions of the Board of Directors of the Corporation authorizing the Credit Agreement, does not exceed the aggregate amount of Debt authorized by such resolutions.

Please indicate your consent to such increase in the Commitments of the Increasing Lenders by signing the attached copy of this request in the space provided below and returning the same to the undersigned.

Very truly yours,

CSC ENTERPRISES, a Delaware general partnership

By CSC ENTERPRISES, INC.,
Its Managing Partner

By _____
Title:

COMPUTER SCIENCES CORPORATION

By: _____
Title:

[FN]

[/2] Insert date of the most recent audited balance sheet of the Corporation and its Subsidiaries.

[/3] Insert date of the most recent audited balance sheet of the Partnership and its Subsidiaries.

Each of the undersigned Increasing Lenders hereby consents to the increase of its Commitment as requested above and confirms that, after giving effect to such increase, its Commitment will be the amount set forth opposite its name below. This consent is subject to the terms of Section 2.18 of the Credit Agreement.

DATED: _____

[INCREASING LENDER] Commitment: \$ _____

By: _____
Title: _____

[INCREASING LENDER] Commitment: \$ _____

By: _____
Title: _____

[INCREASING LENDER] Commitment: \$ _____

By: _____
Title: _____

Accepted this ____ day
of _____, 199_

CITICORP USA, INC., as Agent

By: _____
Title: _____

EXHIBIT E

[FORM OF EXTENSION REQUEST]

CSC ENTERPRISES,
A DELAWARE GENERAL PARTNERSHIP

COMPUTER SCIENCES CORPORATION

REQUEST FOR EXTENSION OF COMMITMENT
TERMINATION DATE

[Date]

[Name and Address of Eligible Lender]

Pursuant to that certain Credit Agreement dated as of September 6, 1995 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among Computer Sciences Corporation (the "Corporation"), CSC Enterprises (the "Partnership"), certain Lenders party thereto and Citicorp USA, Inc., as Agent for said Lenders, this represents the Partnership's and the Corporation's joint request to extend the Commitment Termination Date of each Eligible Lender to [/1] pursuant to Section 2.16 of the Credit Agreement.

Each of the undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the effectiveness of the extension requested hereby ("Proposed Extension"):

(a) the representations and warranties contained in Article IV of the Credit Agreement are correct, before and after giving effect to the Proposed Extension;

(b) no event has occurred and is continuing, or would result from the Proposed Extension, which constitutes an Event of Default or a Potential Event of Default; and

(c) the balance sheet of the Corporation and its Subsidiaries as at _____, 199_[/2], and the related statements of income and retained earnings of the Corporation and its Subsidiaries for the fiscal year then ended, and the balance sheet of the Partnership and its Subsidiaries as at _____, 199_[/3], and the related statements of income and retained earnings of the Partnership for the fiscal year then ended, copies of each of which have been furnished to each Lender, fairly present the financial condition of the Corporation and its Subsidiaries or the Partnership and its Subsidiaries, as the case may be, as at such applicable date and the results of the operations of Corporation and its Subsidiaries or the Partnership and its Subsidiaries, as the case may be, for the fiscal year ended on such applicable date, all in accordance with GAAP consistently applied, and since _____, 199_[2], and _____, 199_[3], respectively, there has been no material adverse change in the business, condition (financial or otherwise), operations or properties of the Corporation and its Subsidiaries, taken as a whole, or of the Partnership and its Subsidiaries, taken as a whole.

[FN]

[1] Insert date which is one year after the latest Commitment Termination Date in effect.

[2] Insert date of the most recent audited balance sheet of the Corporation and its Subsidiaries.

[3] Insert date of the most recent audited balance sheet of the Partnership and its Subsidiaries.

The Corporation hereby further certifies that after giving effect to the Proposed Extension, the aggregate amount of the Guaranteed Obligations (as defined in the Credit Agreement), together with all other Debt (including any Advances under the Credit Agreement) incurred by Corporation pursuant to the resolutions of the Board of Directors of the Corporation authorizing the Credit Agreement, does not exceed the aggregate amount of Debt authorized by such resolutions.

Please indicate your consent to such extension of the Commitment Termination Date by signing the attached copy of this request in the space provided below and returning the same to the undersigned by [/4].

Very truly yours,

CSC ENTERPRISES, a Delaware general partnership

By CSC ENTERPRISES, INC.,
Its Managing Partner

By: _____
Title:

COMPUTER SCIENCES CORPORATION

By: _____
Title:

The undersigned Eligible Lender hereby consents to the extension of its Commitment Termination Date as requested above. This consent is subject to the terms of Section 2.16 of the Credit Agreement.

DATED: _____

[ELIGIBLE LENDER]

By: _____
Title: _____

[FN]

[4] Insert tenth day prior to the Current Anniversary Date (as defined in Section 2.16 of Credit Agreement).

EXHIBIT F

SCHEDULE OF OWNED REAL ESTATE (PARTNERSHIP)

Address	Description	Acreage	Approximate Mkt. Value (millions)
1. 100 Winnenden Road Norwich, CT	Office Building & Data Center	51.00	\$ 9.6
2. 5021 Kearney Villa Road San Diego, CA	Office Building & Data Center	9.5	18.9
3. 45154 Underwood Lane Sterling, VA	Office Building & Data Center	5.4	2.4
4. 1500 S. Edgewood Street Baltimore, MD	Office Building & Data Center	3.9	1.9
5. 71 Deerfield Lane Meriden, CT	Office Building & Data Center	18.0	29.0
	Total		\$ 61.8

EXHIBIT G

SCHEDULE OF OWNED REAL ESTATE (CORPORATION)

	Address	Description	Acreage	Approximate Mkt. Value (millions)
1.	4515 Eagle Rock Blvd. Eagle Rock, CA	Office Building	1.34	\$ 1.9
2.	2100 E. Grand Avenue El Segundo, CA	Office Building & Data Center	5.90	17.3
3.	3001 Centreville Road Herndon, VA	Office Building	16.52	6.6
4.	301 Harper Drive Moorestown, NJ	Office Building	4.21	3.9
5.	304 W. Route 38 Moorestown, NJ	Office Building	5.55	5.8
6.	300 Fellowship Road Mt. Laurel, NJ	Office Building	8.30	1.6
7.	100 Winnenden Road Norwich, CT	Office Building & Data Center	51.00	9.6*
8.	5021 Kearney Villa Road San Diego, CA	Office Building & Data Center	9.5	18.9*
9.	3170 Fairview Park Drive Falls Church, VA	Office Building	5.34	18.1
10.	3180 Fairview Park Drive Falls Church, VA	Vacant Lot	5.76	3.6
11.	45154 Underwood Lane Sterling, VA	Office Building	5.4	2.4*
12.	1500 S. Edgewood Street Baltimore, MD	Office Building	3.9	1.9*
13.	71 Deerfield Lane Meriden, CT	Data Center	18.0	29.0*
14.	460 Pacific Highway St. Leonards, Australia	Office Building	1.0	8.6
		Total		\$ 129.2

*Owned by the Partnership and also listed on Exhibit F.

COMPUTER SCIENCES CORPORATION
AND
CHEMICAL MELLON SHAREHOLDER SERVICES

AMENDED AND RESTATED RIGHTS AGREEMENT
DATED AS OF DECEMBER 21, 1988

AMENDED AND RESTATED AS OF
OCTOBER 30, 1995

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- Exhibit A -- Form of Amended and Restated Certificate of Designations
- Exhibit B -- Form of Rights Certificate
- Exhibit C -- Form of Summary of Rights

AMENDED AND RESTATED RIGHTS AGREEMENT

RIGHTS AGREEMENT, dated as of December 21, 1988, amended and restated as of October 30, 1995 (the "Agreement"), between COMPUTER SCIENCES CORPORATION, a Nevada corporation (the "Company"), and CHEMICAL MELLON SHAREHOLDER SERVICES (the "Rights Agent").

W I T N E S S E T H

WHEREAS, on December 21, 1988 (the "Rights Dividend Declaration Date"), the Board of Directors of the Company authorized and declared a dividend distribution of one Right for each share of common stock, \$1.00 par value, of the Company (the "Common Stock") outstanding at the close of business on January 3, 1989 (the "Record Date"), and has authorized the issuance of one Right (as such number may hereinafter be adjusted pursuant to the provisions of Section 11(p) hereof) for each share of Common Stock issued between the Record Date (whether originally issued or delivered from the Company's treasury) and the Distribution Date (as hereinafter defined), each Right initially representing the right to purchase one four-hundredth (1/400th) of a share of Series A Junior Participating Preferred Stock of the Company having the rights, powers and preferences set forth in the form of Amended and Restated Certificate of Designation, Preferences and Rights attached hereto as Exhibit A, upon the terms and subject to the conditions hereinafter set forth (the "Rights");

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 20% or more of the shares of Common Stock then outstanding; provided, however that (i) the term "Acquiring Person" shall not include the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan, (ii) a person who becomes the Beneficial Owner of at least twenty percent (20%) of such outstanding shares of Common Stock as the result of a stock repurchase plan or self-tender offer of the Company shall not be deemed an Acquiring Person, and the Stock Acquisition Date shall not be deemed to occur, until such Person, together with all Affiliates and Associates of such Person, thereafter becomes the Beneficial

Owner of, in the aggregate, a number of additional shares of Common Stock equal to one percent (1%) or more of the then outstanding shares (and, at that time, owns at least twenty percent (20%) of such outstanding shares), and (iii) the term acquiring person shall not include a person who becomes the Beneficial Owner of at least twenty percent (20%) of such outstanding shares of Common Stock as the result of an acquisition of shares of Common Stock pursuant to a tender offer or an exchange offer for all outstanding shares of Common Stock at a price and on terms determined by at least a majority of the members of the Board of Directors who are not officers of the Company and who are not representatives, nominees, Affiliates or Associates of an Acquiring Person, after receiving advice from one or more investment banking firms, to be (a) at a price which is fair to stockholders of the Company (taking into account all factors which such members of the Board deem relevant including, without limitation, prices which could reasonably be achieved if the Company or its assets were sold on an orderly basis designed to realize maximum value) and (b) otherwise in the best interests of the Company and its stockholders.

(b) "Act" shall mean the Securities Act of 1933, as amended.

(c) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended and in effect on the date of this Agreement (the "Exchange Act").

(d) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "beneficially own," any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," (A) securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange, or (B) securities issuable upon exercise of Rights at any time prior to the occurrence of a Triggering Event, or (C) securities issuable upon exercise of Rights from and after the occurrence of a Triggering Event which Rights were acquired by such Person or any of such Person's Affiliates or Associates prior to the Distribution Date or pursuant to Section 3(a) or Section 22 hereof (the "Original Rights") or pursuant to Section 11(i) hereof in connection with an adjustment made with respect to any Original Rights;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," any security under this subparagraph (ii) as a result of an agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding: (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to subparagraph (ii) of this paragraph (d)) or disposing of any voting securities of the Company; provided, however, that nothing in this paragraph (d) shall cause a person engaged in business as an underwriter of securities to be the "Beneficial Owner" of, or to "beneficially own," any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

(e) "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to close.

(f) "Close of business" on any given date shall mean 5:00 P.M., California time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., California time, on the next succeeding Business Day.

(g) "Common Stock" shall mean the common stock, \$1.00 par value, of the Company, except that "Common Stock" when used with reference to any Person other than the Company shall mean the capital stock (or units of beneficial interest which represent the right to participate in profits, losses, deductions and credits) of such Person with the greatest voting power, or the equity securities or other-equity interest having power to control or direct the management, of such Person.

(h) "Continuing Director" shall mean (i) any member of the Board of Directors of the Company, while such Person is a member of the Board, who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person, or a representative of an Acquiring Person or of any such Affiliate or Associate, and who was a member of the Board prior to the date of this Agreement, or (ii) any Person who subsequently becomes a member of the Board, while such Person is a member of the Board, who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person or a representative of an Acquiring Person or of any such Affiliate or Associate, if such Person's nomination for election or election to the Board is recommended or approved by a majority of the Continuing Directors.

(i) "Current market price" shall have the meaning set forth in Section 11(d) hereof.

(j) "Current Value" shall have the meaning set forth in Section 11(a)(iii) hereof.

(k) "Distribution Date" shall have the meaning set forth in Section 3(a) hereof.

(l) "Equivalent Preferred Stock" shall have the meaning set forth in Section 11(b) hereof.

(m) "Exchange Act" shall have the meaning set forth in Section 1(c) hereof.

(n) "Expiration Date" shall have the meaning set forth in Section 7(a) hereof.

(o) "Final Expiration Date" shall have the meaning set forth in Section 7(a) hereof.

(p) "Person" shall mean any individual, firm, corporation, partnership, association, trust or other entity.

(q) "Preferred Stock" shall mean shares of Series A Junior Participating Preferred Stock, \$1.00 par value, of the Company and, to the extent that there is not a sufficient number of shares of Series A Junior Participating Preferred Stock authorized to permit the full exercise of the Rights, any other series of Preferred Stock, \$1.00 par value, of the Company designated for such purpose containing terms substantially similar to the terms of the Series A Junior Participating Preferred Stock.

(r) "Principal Party" shall have the meaning set forth in Section 13(b) hereof.

(s) "Purchase Price" shall have the meaning set forth in Section 4(a) hereof.

(t) "Record Date" shall have the meaning set forth in the WHEREAS clause at the beginning of this Agreement.

(u) "Redemption Price" shall have the meaning set forth in Section 23(a) hereof.

(v) "Rights" shall have the meaning set forth in the WHEREAS clause at the beginning of this Agreement.

(w) "Rights Certificates" shall have the meaning set forth in Section 3(a) hereof.

(x) "Section 11(a)(ii) Event" shall mean any event described in Section 11(a)(ii) hereof.

(y) "Section 11(a)(ii) Trigger Date" shall have the meaning set forth in Section 11(a)(iii) hereof.

(z) "Section 13 Event" shall mean any event described in clauses (x), (y) or (z) of Section 13(a) hereof.

(aa) "Spread" shall have the meaning set forth in Section 11(a)(iii) hereof.

(bb) "Stock Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) under the Exchange Act) by the Company or an Acquiring Person that an Acquiring Person has become such or such earlier date as a majority of the directors shall become aware of the existence of an Acquiring Person.

(cc) "Subsidiary" shall mean, with reference to any Person, any corporation of which an amount of voting securities sufficient to elect at least a majority of the directors of such corporation is beneficially owned, directly or indirectly, by such Person, or which is otherwise controlled by such Person.

(dd) "Substitution Period" shall have the meaning set forth in Section 11(a)(iii) hereof.

(ee) "Trading Day" shall have the meaning set forth in Section 11(d) hereof.

(ff) "Triggering Event" shall mean any Section 11(a)(ii) Event or any Section 13 Event.

Any determination required by the definitions contained in this Section 1 shall be made by the Board of Directors of the

Company in its good faith judgment, which determination shall be binding on the Rights Agent and the holders of the Rights.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights (who, in accordance with Section 3 hereof, shall, prior to the Distribution Date, also be the holders of the Common Stock) in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such Co-Rights Agents as it may deem necessary or desirable.

Section 3. Issue of Rights Certificates.

(a) Until the earlier of (i) the close of business on the tenth business day after the Stock Acquisition Date or, if the tenth business day after the Stock Acquisition Date occurs before the Record Date, the close of business on the Record Date), or (ii) the close of business on the tenth business day after the date that a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act, if upon consummation thereof, such Person would be the Beneficial Owner of 30% or more of the shares of Common Stock then outstanding (irrespective of whether any shares are actually purchased pursuant to any such offer) (the earlier of (i) or (ii) being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced (subject to the provisions of paragraph (b) of this Section 3) by the certificates for the Common Stock registered in the names of the holders of the Common Stock (which certificates for Common Stock shall be deemed also to be certificates for Rights and not by separate certificates, and (y) the Rights will be transferable only in connection with the transfer of the underlying shares of Common Stock (including a transfer to the Company). As soon as practicable after the Distribution Date, the Rights Agent will send by first-class, insured, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Distribution Date, at the address of such holder shown on the records of the Company, one or more rights certificates, in substantially the form of Exhibit B hereto (the "Rights Certificates"), evidencing one Right for each share of Common Stock so held, subject to adjustment as provided herein. In the event that an adjustment in the number of Rights per share of Common Stock has been made pursuant to Section 11(p) hereof, at the time of distribution of the Rights Certificates, the Company shall make the necessary and appropriate rounding adjustments (in accordance with Section 14(a) hereof) so that Rights certificates representing only whole

numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. As of and after the Distribution Date, the Rights will be evidenced solely by such Rights Certificates.

(b) As promptly as practicable following the Record Date, the Company will send a copy of a Summary of Rights, in substantially the form attached hereto as Exhibit C (the "Summary of Rights"), by first-class, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Record Date, at the address of such holder shown on the records of the Company. With respect to certificates for the Common Stock outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates for the Common Stock and the registered holders of the Common Stock shall also be the registered holders of the associated Rights. Until the earlier of the Distribution Date or the Expiration Date, the transfer of any certificates representing shares of Common Stock in respect of which Rights have been issued shall also constitute the transfer of the Rights associated with such shares of Common Stock.

(c) Rights shall be issued in respect of all shares of Common Stock which are issued after the Record Date but prior to the earlier of the Distribution Date or the Expiration Date. Certificates representing such shares of Common Stock shall also be deemed to be certificates for Rights, and shall bear the following legend:

This certificate also evidences and entitles the holder hereof to certain rights as set forth in the Rights Agreement between Computer Sciences Corporation (the "Company") and American Transtech (the "Rights Agent") dated as of December 21, 1988 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. The Rights Agent will mail to the holder of this certificate a copy of the Rights Agreement, as in effect on the date of mailing, without charge promptly after receipt of a written request therefor. Under certain circumstances set forth in the Rights Agreement, Rights issued to, or held by, any person who is, was or becomes an Acquiring Person or any Affiliate or Associate thereof (as such terms are defined in the Rights Agreement), whether currently held by or on behalf of such Person or by any subsequent holder, may become null and void.

With respect to such certificates containing the foregoing legend, until the earlier of the Distribution Date or the Expiration Date, the Rights associated with the Common Stock represented by such certificates shall be evidenced by such certificates alone and registered holders of Common Stock shall also be the registered holders of the associated Rights, and the transfer of any of such certificates shall also constitute the transfer of the Rights associated with the Common Stock represented by such certificates.

Section 4. Form of Rights Certificates.

(a) The Rights Certificates (and the forms of election to purchase and of assignment to be printed on the reverse thereof) shall each be substantially in the form set forth in Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Section 11 and Section 22 hereof, the Rights Certificates, whenever distributed, shall be dated as of the Record Date and on their face shall entitle the holders thereof to purchase such number of four-hundredths of a share of Preferred Stock as shall be set forth therein at the price set forth therein (such exercise price per one four-hundredth of a share, the "Purchase Price"), but the amount and type of securities purchasable upon the exercise of each Right and the Purchase Price thereof shall be subject to adjustment as provided herein.

(b) Notwithstanding any other provision of this Agreement, any Rights Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights beneficially owned by any Person known to be: (i) an Acquiring Person or any Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom such Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the Company has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect avoidance of Section 7(e) hereof, and any Rights Certificate issued pursuant to Section 6

or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

The Rights represented by this Rights Certificate are or were beneficially owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement). Accordingly, this Rights Certificate and the Rights represented hereby may become null and void in the circumstances specified in Section 7(e) of such Agreement.

Section 5. Countersignature and Registration.

(a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President or any Vice President, either manually or by facsimile signature, and shall have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Rights Certificates shall be manually countersigned by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Rights Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Rights Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Rights Certificates had not ceased to be such officer of the Company; and any Rights Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Rights Certificate, shall be a proper officer of the Company to sign such Rights Certificate, although at the date of the execution of this Rights Agreement any such person was not such an officer.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal office or offices designated as the appropriate place for surrender of Rights Certificates upon exercise or transfer, books for registration and transfer of the Rights Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Rights Certificates, the number of Rights evidenced on its face by each of the Rights Certificates and the Date of each of the Rights Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Rights Certificates; Mutilated, Destroyed, Lost or Stolen Rights Certificates.

(a) Subject to the provisions of Section 4(b), Section 7(e) and Section 14 hereof, at any time after the close of business on the Distribution Date, and at or prior to the close of business on the Expiration Date, any Rights Certificate or Certificates may be transferred, split up, combined or exchanged for another Rights Certificate or Certificates, entitling the registered holder to purchase a like number of four-hundredths of a share of Preferred Stock (or, following a Triggering Event, Common Stock, other securities, cash or other assets, as the case may be) as the Rights Certificate or Certificates surrendered then entitled such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Rights Certificate or Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Rights Certificate or Certificates to be transferred, split up, combined or exchanged at the principal office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Rights Certificate until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Rights Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request. Thereupon the Rights Agent shall, subject to Section 4(b), Section 7(e) and Section 14 hereof, countersign and deliver to the Person entitled thereto a Rights Certificate or Rights Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Rights Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Rights Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Rights Certificate if mutilated, the Company will execute and deliver a new Rights Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered owner in lieu of the Rights Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.

(a) Subject to Section 7(e) hereof, the registered holder of any Rights Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein including, without limitation, the restrictions on exercisability set forth in Section 9(c), Section 11(a)(iii) and Section 23(a) hereof) in whole or in part at any time after the Distribution Date upon surrender of the Rights Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the principal office or offices of the Rights Agent of the Rights Agent designated for such purpose, together with payment of the aggregate Purchase Price with respect to the total number of four-hundredths of a share of Preferred Stock (or Common Stock or other securities, cash or other assets, as the case may be) as to which such surrendered Rights are then exercisable, at or prior to the earlier of (i) the close of business on December 21, 1998 (the "Final Expiration Date"), or (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the earlier of (i) and (ii) being herein referred to as the "Expiration Date").

(b) The Purchase Price for each one four-hundredth of a share of Preferred Stock pursuant to the exercise of a Right shall initially be \$235.00, and shall be subject to adjustment from time to time as provided in Sections 11 and 13(a) hereof and shall be payable in accordance with paragraph (c) below.

(c) Upon receipt of a Rights Certificate representing exercisable Rights, with the form of election to purchase and the certificate duly executed, accompanied by payment, with respect to each Right so exercised, of the Purchase Price per one four-hundredth of a share of Preferred Stock (or Common Stock or other securities, cash or other assets, as the case may be) to be purchased as set forth below and an amount equal to any applicable transfer tax, the Rights Agent shall, subject to Section 20(k) hereof, thereupon promptly (i) (A) requisition from any transfer agent of the shares of Preferred Stock (or make available, if the Rights Agent is the transfer agent for such shares) certificates for the total number of four-hundredths of a share of Preferred Stock to be purchased and the Company hereby authorizes its transfer agent to comply with all such requests, or (B) if the Company shall have elected to deposit the total number of shares of Preferred Stock issuable upon exercise of the Rights hereunder with a depositary agent, requisition from the depositary agent depositary receipts representing such number of four-hundredths of a share of Preferred Stock as are to be purchased (in which case certificates for the shares of Preferred Stock represented by such receipts shall be deposited by the transfer agent with the depositary agent) and the Company will direct the depositary agent to comply with such request,

(ii) requisition from the Company an amount of cash, if any, to be paid in lieu of fractional shares in accordance with Section 14 hereof, (iii) after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, and (iv) after receipt thereof, deliver such cash, if any, to or upon the order of the registered holder of such Rights Certificate. The payment of the Purchase Price (as such amount may be reduced pursuant to Section 11(a)(iii) hereof) may be made in cash or by certified bank check or money order payable to the order of the Company. In the event that the Company is obligated to issue other securities (including Common Stock) of the Company, pay cash and/or distribute other property pursuant to Section 11(a) hereof, the Company will make all arrangements necessary so that such other securities, cash and/or other property are available for distribution by the Rights Agent, if and when appropriate.

(d) In case the registered holder of any Rights Certificate shall exercise less than all the Rights evidenced thereby, a new Rights Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to, or upon the order of, the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, subject to the provisions of Section 14 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a)(ii) Event, any Rights beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the Company has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall use all reasonable efforts to insure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but shall have no liability to any holder of Rights Certificates or other Person as a result of its failure to make any

determinations with respect to an Acquiring Person or its Affiliates, Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate continued in the form of election to purchase set forth on the reverse side of the Rights Certificate surrendered for such exercise, and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

Section 8. Cancellation and Destruction of Rights Certificates. All Rights Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Rights Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Rights Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Rights Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Rights Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation and Availability of Stock.

(a) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued shares of Preferred Stock (and, following the occurrence of a Section 11(a)(ii) Event, out of its authorized and unissued shares of Common Stock and/or other securities or out of its authorized and issued shares held in its treasury), the number of shares of Preferred Stock (and, following the occurrence of a Section 11(a)(ii) Event, Common Stock and, or other securities) that, as provided in this Agreement including Section 11(a)(iii) hereof, will be sufficient to permit the exercise in full of all outstanding Rights, provided, however, that the Company shall not be required to reserve and keep available shares of Preferred Stock, Common Stock or other securities sufficient to permit the exercise in full of all outstanding Rights pursuant to the adjustments set forth in Section 11(a)(ii), Section 11(a)(iii) or Section 13 hereof unless, and only to the extent that, the Rights become exercisable pursuant to such adjustments.

(b) So long as the shares of Preferred Stock (and, following the occurrence of a Section 11(a)(ii) Event, Common Stock and/or other securities) issuable and deliverable upon the exercise of Rights may be listed on any national securities exchange, the Company shall use its best efforts to cause, from and after such time as the Rights become exercisable, all shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(c) If necessary to permit the offer and issuance of Preferred Stock (and, following the occurrence of a Section 11(a)(ii) Event, Common Stock and/or other securities) issuable and deliverable upon the exercise of Rights, the Company shall use its best efforts to (i) file, as soon as practicable following the earliest date after the first occurrence of a Section 11(a)(ii) Event on which the consideration to be delivered by the Company upon exercise of the Rights has been determined in accordance with Section 11(a)(iii) hereof, or as soon as is required by law following the Distribution Date, as the case may be, a registration statement under the Act, with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing, and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities, and (B) the date of the expiration of the Rights. The Company will also use reasonable efforts to take such action as may be appropriate under, or to ensure compliance with, the securities or "blue sky" laws of the various states in connection with the exercisability of the Rights. The Company may temporarily suspend, for a period of time not to exceed ninety (90) days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. Notwithstanding any provision of this Agreement to the contrary, the Rights shall not be exercisable in any jurisdiction unless the requisite qualification in such jurisdiction shall have been obtained or an exemption therefrom shall have been obtained or be available and until a registration statement (if required) has been declared effective.

(d) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all four-hundredths of a share of Preferred Stock (and, following the occurrence of a Section 11(a)(ii) Event, Common Stock and/or other securities) delivered upon exercise of Rights shall, at the

time of delivery of the certificates for such shares (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and non assessable.

(e) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of the Rights Certificates and of any certificates for a number of four-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) upon the exercise of Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Rights Certificates to a Person other than, or the issuance or delivery of a number of four-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) in respect of a name other than that of, the registered holder of the Rights Certificates evidencing Rights surrendered for exercise or to issue or deliver any certificates for a number of four-hundredths of shares of Preferred Stock (or Common Stock and/or other securities, as the case may be) in a name other than that of the registered holder upon the exercise of any Rights until such tax shall have been paid (any such tax being payable by the holder of such Rights Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax is due.

Section 10. Preferred Stock Record Date. Each person in whose name any certificate for a number of four-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of such fractional shares of Preferred Stock (or Common Stock and/or other securities, as the case may be) represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and all applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the Preferred Stock (or Common Stock and/or other securities, as the case may be) transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares (fractional or otherwise) on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Stock (or Common Stock and/or other securities, as the case may be) transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Rights Certificate shall not be entitled to any rights of a stockholder of the Company with respect to shares for which the Rights shall be exercisable, including, without limitation, the right to vote or to receive dividends or other distributions, and shall not be

entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights. The Purchase Price, the number and kind of shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a)(i) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Stock payable in shares of Preferred Stock, (B) subdivide the outstanding Preferred Stock, (C) combine the outstanding Preferred Stock into a smaller number of shares, or (D) issue any shares of its capital stock in a reclassification of the Preferred Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation and the Company's capital stock is not converted into securities or property (including cash) of another Person), except as otherwise provided in this Section 11(a) and Section 7(e) hereof, the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of Preferred Stock or other capital stock issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the Purchase Price then in effect, the aggregate number and kind of shares of Preferred Stock or such capital stock which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Stock transfer books of the Company were open, he would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. If an event occurs which would require an adjustment under both this Section 11(a)(i) and Section 11(a)(ii) hereof, the adjustment provided for in this Section 11(a)(i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a)(ii) hereof.

(ii) In the event ("Section 11(a)(ii) Event") that the Stock Acquisition Date shall have occurred, then promptly following the close of business on the tenth business day after such Section 11(a)(ii) Event (or, if the tenth business day after such Section 11(a)(ii) Event occurs before the Record Date, the close of business on the Record Date), proper provision shall be made so that each holder of a Right (except as provided below and in Section 7(e) hereof) shall thereafter have the right to receive, upon exercise thereof, in lieu of a number of four-hundredths of a share of Preferred Stock, one share of Common Stock (as constituted on the date of this Agreement) of

the Company for each Right which was exercisable immediately prior to the occurrence of such Section 11(a)(ii) Event (such number of shares, the "Adjustment Shares") at an adjusted Purchase Price (the "Section 11 Price") equal to the product obtained by multiplying the Adjustment Shares by 10% of the current market price (as determined pursuant to Section 11(d) hereof) per share of the Common Stock on the date of the occurrence of Such Section 11(a)(ii) Event; and, following the occurrence of such Section 11(a)(ii) Event, the Section 11 Price shall be the "Purchase Price" for all purposes of this Agreement provided that the Purchase Price and the number of Adjustment Shares shall be further adjusted as provided in this Agreement to reflect any events occurring after the date of such first occurrence; and provided, further, that if the transaction that would otherwise give rise to the foregoing adjustment is also subject to the provisions of Section 13 hereof, then only the provisions of Section 13 hereof shall apply and no adjustment shall be made pursuant to this Section 11(a)(ii).

(iii) In the event that the number of shares of Common Stock which are authorized by the Company's articles of incorporation but not outstanding or reserved for issuance for purposes other than upon exercise of the Rights is not sufficient to permit the exercise in full of the Rights in accordance with the foregoing subparagraph (ii) of this Section 11(a) and the Rights shall become so exercisable, to the extent permitted by applicable law and any agreements in effect on the date hereof to which the Company is a party, the Company shall: (A) determine the excess of (1) the value of the Adjustment Shares issuable upon the exercise of a Right (the "Current Value") over (2) the Purchase Price (such excess, the "Spread"), and (B) with respect to each Right, make adequate provision to substitute for the Adjustment Shares, upon payment of the applicable Purchase Price, (1) cash, (2) a reduction in the Purchase Price, (3) Common Stock or shares or units of shares of Preferred Stock or other equity securities of the Company, (4) debt securities of the Company, (5) other assets, or (6) any combination of the foregoing, having an aggregate value equal to the Current Value, where such aggregate value has been determined by the Board of Directors of the Company based upon the advice of a nationally recognized investment banking firm selected by the Board of Directors of the Company; provided, however, if the Company shall not have made adequate provision to deliver value pursuant to clause (B) above within thirty (30) days following the later of (x) the first occurrence of a Section 11(a)(ii) Event and (y) the date on which the Company's right of redemption pursuant to Section 23(a) expires (the later of (x) and (y) being referred to herein as the "Section 11(a)(ii) Trigger Date"), then the Company shall be obligated to deliver, upon the surrender for exercise of a Right and without requiring payment of the Purchase Price, shares of Common Stock (to the extent available) and then, if necessary, cash, which shares and/or cash have an aggregate value equal to

the Spread. If the Board of Directors of the Company shall determine in good faith that it is likely that sufficient additional shares of Common Stock could be authorized for issuance upon exercise in full of the Rights, the thirty (30) day period set forth above may be extended to the extent necessary, but not more than ninety (90) days after the Section 11(a)(ii) Trigger Date, in order that the Company may seek stockholder approval for the authorization of such additional shares (such period, as it may be extended, the "Substitution Period"). To the extent that the Company determines that some action need be taken pursuant to the first and/or second sentences of this Section 11(a)(iii), the Company (x) shall provide, subject to Section 7(e) hereof, that such action shall apply uniformly to all outstanding Rights, and (y) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek any authorization of additional shares and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. For purposes of this Section 11(a)(iii), the value of the Common Stock shall be the current market price (as determined pursuant to Section 11(d) hereof) per share of the Common Stock on the Section 11(a)(ii) Trigger Date and the value of the Series A Junior Participating Preferred Stock shall be deemed to be the fair value on such day as determined in good faith by the Board of Directors. The Board of Directors may, but shall not be required to, establish procedures to allocate the right to receive Common Stock upon the exercise of Rights pursuant to this Section 11(a)(iii).

(b) In case the Company shall fix a record date for the issuance of rights (other than the Rights), options or warrants to all holders of Preferred Stock entitling them to subscribe for or purchase (for a period expiring within forty-five (45) calendar days after such record date) Preferred Stock (or shares having the same rights, privileges and preferences as the shares of Preferred Stock ("Equivalent Preferred Stock")) or securities convertible into Preferred Stock or Equivalent Preferred Stock at a price per share of Preferred Stock or per share of Equivalent Preferred Stock (or having a conversion price per share, if a security convertible into Preferred Stock or Equivalent Preferred Stock) less than the current market price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of shares of Preferred Stock which the aggregate offering price of the

total number of shares of Preferred Stock (and/or Equivalent Preferred Stock so to be offered and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current market price, and the denominator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of additional shares of Preferred Stock and/or Equivalent Preferred Stock to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid by delivery of consideration part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Shares of Preferred Stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for a distribution to all holders of Preferred Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, cash (other than a regular quarterly cash dividend out of the earnings or retained earnings of the Company), assets (other than a dividend payable in Preferred Stock, but including any dividend payable in stock other than Preferred Stock) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the current market price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a share of Preferred Stock and the denominator of which shall be such current market price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock. Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Purchase Price shall be adjusted to be the Purchase Price which would have been in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, other than computations made pursuant to Section 11(a)(iii) hereof, the "current market price" per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the thirty (30) consecutive Trading Days (as such term is hereinafter defined) immediately prior to such date, and for purposes of computations made pursuant to Section 11(a) (iii) hereof, the "current market price" per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the ten (10) consecutive Trading Days immediately following such date; provided, however, that in the event that the current market price per share of the Common Stock is determined during a period following the announcement by the issuer of such Common Stock of (A) a dividend or distribution on such Common Stock payable in shares of such Common Stock or securities convertible into shares of such Common Stock (other than the Rights), or (B) any subdivision, combination or reclassification of such Common Stock, and prior to the expiration of the requisite thirty (30) Trading Day or ten (10) Trading Day period, as set forth above, after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the "current market price" shall be properly adjusted to take into account ex-dividend trading. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or the Pacific Stock Exchange or, if the shares of Common Stock are not listed or admitted to trading on the New York Stock Exchange or the Pacific Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or such other system then in use, or, if on any such date the shares of Common Stock are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board of Directors of the Company. If on any such date no market maker is making a market in the Common Stock, the fair value of such shares on such date as determined in good faith by the Board of Directors of the Company shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the shares of Common Stock

are listed or admitted to trading is open for the transaction of business or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, a Business Day. If the Common Stock is not publicly held or not so listed or traded, "current market price" per share shall mean the fair value per share as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(ii) For the purpose of any computation hereunder, the "current market price" per share of Preferred Stock shall be determined in the same manner as set forth above for the Common Stock in clause (i) of this Section 11(d) (other than the last sentence thereof). If the current market price per share of Preferred Stock cannot be determined in the manner provided above or if the Preferred Stock is not publicly held or listed or traded in a manner described in clause (i) of this Section 11(d), the "current market price" per share of Preferred Stock shall be conclusively deemed to be an amount equal to 100 (as such number may be appropriately adjusted for such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock occurring after the date of this Agreement) multiplied by the current market price per share of the Common Stock. If neither the Common Stock nor the Preferred Stock is publicly held or so listed or traded, "current market price" per share of the Preferred Stock shall mean the fair value per share as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes. For all purposes of this Agreement, the "current market price" of one four-hundredth of a share of Preferred Stock shall be equal to the "current market price" of one share of Preferred Stock divided by 100.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest ten-thousandth of a share of Common Stock or other share or one-millionth of a share of Preferred Stock, as the case may be. Notwithstanding the first sentence of this Section 11(e), an adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction which mandates such adjustments, or (ii) the Expiration date.

(f) If as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock other than Preferred Stock, thereafter the number of such other shares so receivable upon exercise of any Right and the Purchase Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Stock contained in Sections 11(a), (b), (c), (e), (g), (h), (i), (j), (k), and (m), and the provisions of Sections 7, 9, 10, 13 and 14 hereof with respect to the Preferred Stock shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of four-hundredths of a share of Preferred Stock purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of four-hundredths of a share of Preferred Stock (calculated to the nearest one ten-thousandth) obtained by (i) multiplying (x) the number of four-hundredths of a share covered by a Right immediately prior to this adjustment, by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price, and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of four-hundredths of a share of Preferred Stock purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of four-hundredths of a share of Preferred Stock for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued,

shall be at least ten (10) days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Purchase Price) and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of four-hundredths of a share of Preferred Stock issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Purchase Price per one four-hundredth of a share and the number of four-hundredths of a share which were expressed in the initial Rights Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the then stated value, if any, of the number of four-hundredths of a share of Preferred Stock issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable such number of four-hundredths of a share of Preferred Stock at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of four-hundredths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the number of four-hundredths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or

securities upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that in their good faith judgment the Board of Directors of the Company shall determine to be advisable in order that any (i) consolidation or subdivision of the Preferred Stock, (ii) issuance wholly for cash of any shares of Preferred Stock at less than the current market price, (iii) issuance wholly for cash of shares of Preferred Stock or securities which by their terms are convertible into or exchangeable for shares of Preferred Stock, (iv) stock dividends or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to holders of its Preferred Stock shall not be taxable to such stockholders.

(n) The Company covenants and agrees that it shall not, at any time after the Distribution Date, (i) consolidate with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), (ii) merge with or into any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or (iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction, or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof), if (x) at the time of or immediately after such consolidation, merger, sale or transfer there are any rights, warrants or other instruments or securities outstanding or agreements in effect which would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger, sale or transfer, the stockholders of the Person who constitutes, or would constitute, the "Principal Party" for purposes of Section 13(a) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates.

(o) The Company covenants and agrees that, after the Distribution Date, it will not, except as permitted by Section 23 or Section 26 hereof, take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) Anything in this Agreement to the contrary notwithstanding, in the event that the Company shall at any time after the Rights Dividend Declaration Date and prior to the Distribution Date (i) declare a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, the number of Rights associated with each share of Common Stock then outstanding, or issued or delivered thereafter but prior to the Distribution Date, shall be proportionately adjusted so that the number of Rights thereafter associated with each share of Common Stock following any such event shall equal the result obtained by multiplying the number of Rights associated with each share of Common Stock immediately prior to such event by a fraction the numerator which shall be the total number of shares of Common Stock outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of shares of Common Stock outstanding immediately following the occurrence of such event.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Section 11 and Section 13 hereof, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent, and with each transfer agent for the Preferred Stock and the Common Stock, a copy of such certificate, and (c) mail a brief summary thereof to each holder of a Rights Certificate (or, if prior to the Distribution Date, to each holder of a certificate representing shares of Common Stock) in accordance with Section 25 hereof. Notwithstanding the foregoing sentence, the failure of the Company to give such notice shall not affect the validity of or the force or effect of or the requirement for such adjustment. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained. Any adjustment to be made pursuant to Sections 11 and 13 of this Agreement shall be effective as of the date of the event giving rise to such adjustment.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.

(a) In the event ("Section 13(a) Event") that, following the Stock Acquisition Date, directly or indirectly, (x) the Company shall consolidate with, or merge with and into, any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), and the Company shall not be the continuing or surviving corporation of such consolidation or merger, (y) any Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof) shall

consolidate with, or merge with or into, the Company, and the Company shall be the continuing or surviving corporation of such consolidation or merger, and, in connection with such consolidation or merger, all or part of the outstanding shares of Common Stock shall be changed into or exchanged for stock or other securities of any other Person or cash or any other property, or (z) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any Person or Persons (other than the Company or any Subsidiary of the Company in one or more transactions each of which complies with Section 11(o) hereof), then, and in each such case, proper provisions shall be made so that: (i) each holder of a Right, except as provided in Section 7(e) hereof, shall thereafter have the right to receive, upon the exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, such number of validly authorized and issued, fully paid, non-assessable and freely tradeable shares of Common Stock of the Principal Party (as such term is hereinafter defined), not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall be equal to the result obtained by (1) multiplying the then current Purchase Price by the number of four-hundredths of a share of Preferred Stock for which a Right is exercisable immediately prior to the first occurrence of a Section 13 Event (or, if a Section 11(a)(ii) Event has occurred prior to the first occurrence of a Section 13 event, multiplying the number of such four-hundredths of a share of Preferred Stock for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event by the Purchase Price in effect immediately prior to such first occurrence), and (2) dividing that product (which, following the first occurrence of a Section 13 Event, shall be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by 50% of the current market price (determined pursuant to Section 11(d)(i) hereof) per share of the Common Stock of such Principal Party on the date of consummation of such Section 13 Event (or the fair market value on such date of other securities or property of the Principal Party, as provided for herein); provided that the Purchase Price and the number of shares of common stock of such Principal Party issuable upon exercise of each Right shall be further adjusted as provided in this Agreement to reflect any events occurring after the date of the first occurrence of a Section 13 event; (ii) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13

Event; (iv) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of shares of its Common Stock) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its shares of Common Stock thereafter deliverable upon the exercise of the Rights; provided, however, that upon the subsequent occurrence of any merger, consolidation, sale of all or substantially all assets, recapitalization, reclassification of shares, reorganization or other extraordinary transaction in respect of such Principal Party, each holder of a Right shall thereupon be entitled to receive, upon exercise of a Right and payment of the Purchase Price, such cash, shares, rights, warrants and other property which such holder would have been entitled to receive had he, at the time of such transaction, owned the shares of Common Stock of the Principal Party purchasable upon the exercise of a Right, and such Principal Party shall take such steps (including, but not limited to, reservation of shares of stock) as may be necessary to permit the subsequent exercise of the Rights in accordance with the terms hereof for such cash, shares, rights, warrants and other property; and (v) the provisions of Section 11(a)(ii) hereof shall be of no effect following the first occurrence of any Section 13 Event.

(b) "Principal Party" shall mean:

(i) in the case of any transaction described in clause (x) or (y) of the first sentence of Section 13(a): (A) the Person that is the issuer of any securities into which shares of Common Stock of the Company are converted in such merger or consolidation, or, if there is more than one such issuer, the issuer whose Common Stock has the greatest market value or (B) if no securities are so issued, (x) the Person that is the other party to such merger or consolidation and survives said merger or consolidation, or, if there is more than one such Person, the Person whose Common Stock has the greatest market value or (y) if the Person that is the other party to the merger or consolidation does not survive the merger or consolidation, the Person that does survive the merger or consolidation (including the Company if it survives); and

(ii) in the case of any transaction described in clause (z) of the first sentence of Section 13(a), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions, or, if each Person that is a party to such transaction or transactions receives the same portion of the assets or earning power so transferred or if the Person receiving the greatest portion of the assets or earning power cannot be determined, whichever of such Persons as is the issuer of Common Stock having the greatest market value of shares outstanding; provided,

however, that in any such case, (1) if the Common Stock of such Person is not at such time and has not been continuously over the preceding twelve (12) month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect subsidiary of another Person the Common Stock of which is and has been so registered, "Principal Party" shall refer to such other Person; and (2) if such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Stocks of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such persons is the issuer of the Common Stock having the greatest aggregate market value.

(c) If, for any reason, the Rights cannot be exercised for the Common Stock of such Principal Party, then a holder of Rights will have the right to exchange each Right for cash from such Principal Party in an amount equal to twice the Purchase Price as calculated above. If, for any reason, the foregoing formulation cannot be applied to determine the cash amount to which the holder of Rights is entitled, then the Continuing Directors on the Board of Directors of the Company shall determine such amount reasonably and in good faith.

(d) The Company shall not consummate any such consolidation, merger, sale or transfer unless the Principal Party shall have a sufficient number of authorized shares of its Common Stock which have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in paragraphs (a), (b) and (c) of this Section 13 and further providing that, as soon as practicable after the date of any consolidation, merger, sale or transfer mentioned in paragraph (a) of this Section 13, the Principal Party will:

(i) prepare and file a registration statement under the Act, with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, and will use its best efforts to cause such registration statement to (A) become effective as soon as practicable after such filing and (B) remain effective (with a prospectus at all times meeting the requirements of the Act) until the Expiration Date and similarly comply with applicable state securities laws;

(ii) will deliver to holders of the Rights historical financial statements of the Principal Party and each of its Affiliates which comply in all respects with the requirements for registration on Form 10 (or any successor form) under the Exchange Act;

(iii) use its best efforts, if the Common Stock of the Principal Party shall become listed on a national securities exchange, to list (or continue the listing of) the Rights and the securities purchasable upon exercise of the Rights on such securities exchange and, if the Common Stock of the Principal Party shall not be listed on a national securities exchange, to cause the Rights and the securities purchasable upon exercise of the Rights to be reported by NASDAQ or such other system then in use; and

(iv) obtain waivers of any rights of first refusal or preemptive rights in respect of the shares of Common Stock of the Principal Party subject to purchase upon exercise of outstanding Rights.

The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or transfers. In the event that a Section 13 Event shall occur at any time after the occurrence of a Section 11(a)(ii) Event, the Rights which have not theretofore been exercised shall thereafter become exercisable in the manner described in Section 13(a).

(e) Notwithstanding anything in this Agreement to the contrary, Section 13 shall not be applicable to a transaction described in subparagraphs (x) and (y) of Section 13(a) if (i) such transaction is consummated with a Person or Persons who acquired shares of Common Stock pursuant to a tender offer or exchange offer for all outstanding shares of Common Stock which complies with the provisions of Section 11(a)(ii)(A) hereof (or a wholly owned subsidiary of any such Person or Persons), (ii) the price per share of Common Stock offered in such transaction is not less than the price per share of Common Stock paid to all holders of shares of Common Stock whose shares were purchased pursuant to such tender offer or exchange offer, and (iii) the form of consideration being offered to the remaining holders of shares of Common Stock pursuant to such transaction is the same as the form of consideration paid pursuant to such tender offer or exchange offer. Upon consummation of any such transaction contemplated by this Section 13(e), all Rights hereunder shall expire.

Section 14. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractions of Rights, except prior to the Distribution Date as provided in Section 11(p) hereof, or to distribute Rights Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For purposes of this Section 14(a), the current market value of a

whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price of the Rights for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or Pacific Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange or Pacific Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading, or if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company shall not be required to issue fractions of shares of Preferred Stock (other than fractions which are integral multiples of one four-hundredth of a share of Preferred Stock) upon exercise of the Rights or to distribute certificates which evidence fractional shares of Preferred Stock (other than fractions which are integral multiples of one four-hundredth of a share of Preferred Stock). In lieu of fractional shares of Preferred Stock that are not integral multiples of one four-hundredth of a share of Preferred Stock, the Company may pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one four-hundredth of a share of Preferred Stock. For purposes of this Section 14(b), the current market value of one four-hundredth of a share of Preferred Stock shall be one four-hundredth of the current market value of a share of Preferred Stock (as determined pursuant to Section 11(d)(ii) hereof) on the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of a Triggering Event, the Company shall not be required to issue fractions of shares of Common Stock upon exercise of the Rights or to distribute certificates which evidence fractional shares of Common Stock. In lieu of fractional shares of Common Stock, the Company may pay to

the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one (1) share of Common Stock. For purposes of this Section 14(c), the current market value of one share of Common Stock shall be the closing price of one share of Common Stock (as determined pursuant to Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise.

(d) The holder of a Right by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right, except as permitted by this Section 14.

Section 15. Rights of Action. All rights of action in respect of this Agreement, other than rights of action vested in the Rights Agent pursuant to Section 18 hereof, are vested in the respective registered holders of the Rights Certificates (and, prior to the Distribution Date, the registered holders of the Common Stock); and any registered holder of any Rights Certificate (or, prior to the Distribution Date, of the Common Stock), without the consent of the Rights Agent or of the holder of any other Rights Certificate (or, prior to the Distribution Date, of the Common Stock), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and shall be entitled to specific performance of the obligations hereunder and injunctive relief against actual or threatened violations of the obligations hereunder of any Person subject to this Agreement

Section 16. Agreement of Rights Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of Common Stock;

(b) after the Distribution Date, the Rights Certificates are transferable only on the registry books of the Rights Agent if surrendered at the office or offices of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates fully executed;

(c) subject to Section 6(a) and Section 7(f) hereof, the Company and the Rights Agent may deem and treat the person in whose name a Rights Certificate (or, prior to the Distribution Date, the associated Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Rights Certificates or the associated Common Stock certificate made by anyone other than the Company or the Rights Agents) for all purposes whatsoever, and neither the Company nor the Rights Agent, subject to the last sentence of Section 7(e) hereof, shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining Performance of such obligation; provided, however, the Company must use its best efforts to have any such order, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. Rights Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purposes the holder of the number of four-hundredths of a share of Preferred Stock or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 24 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Rights Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

(a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and disbursements and other disbursements incurred in the administration and execution of

this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability in the premises.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Rights Certificate or certificate for Common Stock or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust or stock transfer business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Rights Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver

Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force Provided in the Rights Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person and the determination of "current market price") be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of the statements of fact or recitals contained in this Agreement or in the Rights Certificates or be required to verify the same (except as to its countersignature on such Rights Certificates), but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Rights Certificate (except its countersignature thereof); nor shall it be responsible for any adjustment required under the provisions of Section 11 or Section 13 hereof or responsible for the manner,

method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Rights Certificates after receipt of the certificate described in Section 12 hereof setting forth any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock or Preferred Stock to be issued pursuant to this Agreement or any Rights Certificates or as to whether any shares of Common Stock or Preferred Stock will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct; provided, however, reasonable care was exercised in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights 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 its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase as the case may be, has either not been completed or indicates an affirmative response to clause 1 and/or 2 thereof, the Rights Agent shall not take any further action with respect to such requested exercise of transfer without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Company, and to each transfer agent of the Common Stock and Preferred Stock by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent (with or without cause) upon thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock and Preferred Stock, by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Rights Certificate (who shall, with such notice, submit his Rights Certificate for inspection by the Company), then the incumbent Rights Agent or any registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a corporation organized and doing business under the laws of the United States or of any other state of the United States in good standing, which is authorized under such laws to exercise corporate trust or stock transfer powers or (b) an affiliate of a corporation described in clause (a) of this sentence. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall

file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock and the Preferred Stock, and mail a notice thereof in writing to the registered holders of the Rights Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Rights Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Rights Certificates made in accordance with the provisions of this Agreement. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Date and prior to the redemption or expiration of the Rights, the Company (a) shall, with respect to shares of Common Stock so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities hereinafter issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Rights Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Rights Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Rights Certificate would be issued, and (ii) no such Rights Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption and Termination.

(a) The Board of Directors of the Company may, at its option, at any time prior to the close of business on the earliest of (i) the tenth business day after the date of the first Section 11(a)(ii) Event, (ii) the date of the first Section 13(a) event, or (iii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$0.01 per Right, as such amount may be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). The Company may, at its option, pay the Redemption Price in cash, shares of Common Stock (based on the "current market price", as defined in Section 11(d)(i) hereof, of the Common Stock at the

time of redemption) or any other form of consideration deemed appropriate by the Board of Directors.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price for each Right so held, without any interest thereon. Promptly after the action of the Board of Directors ordering the redemption of the Rights, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice to all such holders at each holder's last address as it appears upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the Transfer Agent for the Common Stock. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The failure to give notice required by this Section 23(b) or any defect therein shall not affect the legality or validity of the action taken by the Company.

Section 24. Notice of Certain Events.

(a) In case the Company shall propose, at any time after the Distribution Date, (i) to pay any dividend payable in stock of any class to the holders of Preferred Stock or to make any other distribution to the holders of Preferred Stock (other than a regular quarterly cash dividend out of earnings or retained earnings of the Company), or (ii) to offer to the holders of Preferred Stock rights or warrants to subscribe for or to purchase any additional shares of Preferred Stock or shares of stock of any class or any other securities, rights or options, or (iii) to effect any reclassification of its Preferred Stock (other than a reclassification involving only the subdivision of outstanding shares of Preferred Stock), or (iv) to effect any consolidation or merger into or with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one transaction or a series of related transactions, of more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof), or (v) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 25 hereof, a notice of such proposed action, which shall

specify the record date for the purposes of such stock dividend, distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the shares of Preferred Stock, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least ten (10) days prior to the record date for determining holders of the shares of Preferred Stock for purposes of such action, and in the case of any such other action, at least ten (10) days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the shares of Preferred Stock whichever shall be the earlier. The failure to give notice required by this Section 24 or any defect therein shall not affect the legality or validity of the action taken by the Company or the vote upon any such action.

(b) In case any of the events set forth in Section 11(a)(ii) hereof shall occur, then, in any such case, (i) the Company shall as soon as practicable thereafter give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 25 hereof, a notice of the occurrence of such event, which shall specify the event and the consequences of the event to holders of Rights under Section 11(a)(ii) hereof, and (ii) all references in the preceding paragraph to Preferred Stock shall be deemed thereafter to refer to Common Stock and/or, if appropriate, other securities.

Section 25. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Rights Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Computer Sciences Corporation
2100 East Grand Avenue
El Segundo, California 90245
Attention: Hayward D. Fisk, Vice President,
General Counsel and Secretary

Subject to the provisions of Section 21, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Rights Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

Chemical Mellon Shareholder Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, New Jersey 07660
Attention: Reorganization Department

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Rights Certificate (or, if prior to the Distribution Date, to the holder of certificates representing shares of Common Stock) shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Transfer Agent.

Section 26. Supplements and Amendments Prior to the close of business on the earliest of (i) the tenth business day after the date of the First Section 11(a)(ii) Event, (ii) the date of the first Section 13(a) Event, or (iii) the Final Expiration Date and, in each case subject to extension by the Board of Directors by amendment hereof, and subject to the penultimate sentence of this Section 26, the Company may, in its sole and absolute discretion and the Rights Agent shall, if the Company so directs, supplement or amend any provision of this Agreement without the approval of any holders of certificates representing shares of Common Stock. Thereafter, subject to the penultimate sentence of this Section 26, the Company may and the Rights Agent shall, if the Company so directs, supplement or amend this Agreement without the approval of any holders of Rights Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or (iii) to change or supplement any provision hereunder in any manner which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Rights Certificates (other than an Acquiring Person or an Affiliate or Associate of any such Person); provided, this Agreement may not be supplemented or amended to lengthen, pursuant to clauses (i) or (ii) of this sentence, (A) a time period relating to when the Rights may be redeemed or this Agreement amended at the sole and absolute discretion of the Company at such time as the Rights are not then redeemable, or (B) any other time period unless such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights (other than any Acquiring Person and its Associates or Affiliates). Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 26, the Rights Agent shall execute such supplement or amendment. Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment shall be made which changes the Redemption Price or the Final Expiration Date. Prior

to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Stock.

Section 27. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 28. Determination and Actions by the Board of Directors. etc. For all purposes of this Agreement, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding shares of Common Stock of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act. The Board of Directors of the Company (or, as set forth herein, certain specified members thereof) shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board of Directors of the Company or to the Company, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement, and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including, but not limited to, a determination to redeem or not redeem the Rights, or to amend this Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Company in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject any member of the Board of Directors to any liability to the holders of the Rights or to any other Person.

Section 29. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants

and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; provided, however, that notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid, void or unenforceable and the Board of Directors of the Company determines in its good faith judgment that severing the invalid language from this Agreement would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 hereof shall be reinstated and shall not expire until the close of business on the tenth business day following the date of such determination by the Board of Directors of the Company.

Section 31. Governing Law. This Agreement, each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Nevada and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Attest:
By /s/ Hayward D. Fisk

Hayward D. Fisk
Title: Secretary

COMPUTER SCIENCES CORPORATION
By /s/ Van B. Honeycutt

Van B. Honeycutt
Title: Chief Executive Officer

[Seal]

Attest:
By /s/ John F. Keegan

John F. Keegan
Title: Vice President

CHEMICAL MELLON
SHAREHOLDER SERVICES
By /s/ Barry Rosenthal

Barry Rosenthal
Title: Account Officer

[Seal]

Exhibit A

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF DESIGNATIONS
OF
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK
\$1.00 Par Value

OF

COMPUTER SCIENCES CORPORATION

Pursuant to Section 78.195 of the General Corporation
Law of the State of Nevada

We, Hayward D. Fisk, Vice President, and Stephen E. Johnson, Assistant Secretary, of COMPUTER SCIENCES CORPORATION, a corporation organized and existing under the General Corporation Law of the State of Nevada, in accordance with the provisions of Section 78.195 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Restated Articles of Incorporation of the Corporation, the Board on December 21, 1988 adopted a resolution creating a series of Preferred Stock, par value \$1.00 per share, designated as Series A Junior Participating Preferred Stock, and caused to be filed with the Nevada Secretary of State on January 13, 1989 a Certificate of Designations with respect thereto; and

That on October 30, 1995, prior to the issuance of any shares of Series A Junior Participating Preferred Stock, the Board of Directors, pursuant to the authority conferred upon the Board by the Restated Articles of Incorporation, amended and restated such resolution in its entirety as follows:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation in accordance with the provisions of its Restated Articles of Incorporation, a series of Preferred Stock of the Corporation be, and it hereby is, created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof, are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as Series A Junior Participating Preferred Stock, par value \$1.00 per share (the "Series A Preferred Stock"), and the number of shares constituting such series shall be Two Hundred Thousand (200,000).

Section 2. Dividends and Distributions.

(a) The holders of shares of Series A Preferred Stock, in preference to the holders of shares of Common Stock, \$1.00 per share, of the Corporation (the "Common Stock") and of any other junior stock of the Corporation that may be outstanding, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) \$1.00 per share (\$4.00 per annum), or (ii) subject to the provision for adjustment hereinafter set forth, 400 times the aggregate per share amount of all cash dividends, and 400 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock, or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event that the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then and in each such event, the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (a) of this Section 2 immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided, however, that in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share (\$4.00 per annum) on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall not bear interest. Each share of Preferred Stock shall rank on a parity with each other share of Preferred Stock, regardless of series, with respect to the payment of dividends at the respectively designated rates. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Each share of Series A Preferred Stock shall entitle the holder thereof to 1 vote with the right to cumulate votes in certain instances in the manner set forth in the Restated Articles of Incorporation of the Corporation on all matters submitted to a vote of the stockholders of the Corporation. In the event that the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then and in each such event, the number of votes per share to which holders of shares of Series A Preferred Stock are entitled shall be increased, in the case of a subdivision, or in the case of such a dividend, or reduced, in the case of a combination, in the same proportion as the subdivision, increase by dividend, or combination of the Common Stock.

(b) Except as otherwise provided in the Restated Articles of Incorporation of the Corporation or herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) In addition, the holders of shares of Series A Preferred Stock shall have the following special voting rights:

In the event that at any time dividends on Series A Preferred Stock, whenever accrued and whether or not consecutive, shall not have been paid or declared and a sum sufficient for the payment thereof set aside, in an amount equivalent to six quarterly dividends on all shares of Series A Preferred Stock at the time outstanding, then and in each such event, the holders of shares of Series A Preferred Stock and each other series of preferred stock now or hereafter issued that shall be accorded such class voting right by the Board of Directors and that shall have the right to elect two directors as the result of a prior or subsequent default in payment of dividends on such series (each such other series being hereinafter called "Other Series of Preferred Stock"), voting separately as a class without regard to series, shall be entitled to elect two directors at the next annual meeting of stockholders of the Corporation, in addition to the directors to be elected by the holders of all shares of the Corporation entitled to vote for the election of directors, and the holders of all shares (including the Series A Preferred Stock) otherwise entitled to vote for directors, voting separately as a class, shall be entitled to elect the remaining members of the Board of Directors, provided that the Series A Preferred Stock and each Other Series of Preferred Stock, voting as a class, shall not have the right to elect more than two directors. Such special voting right of the holders of shares of Series A Preferred Stock may be exercised until all dividends in default on the Series A Preferred Stock shall have been paid in full or declared and funds sufficient therefor set aside, and when so paid or provided for, such special voting right of the holders of shares of Series A Preferred Stock shall cease, but subject always to the same provisions for the vesting of such special voting rights in the event of any such future dividend default or defaults. At any time after such special voting rights shall have so vested in the holders of shares of Series A Preferred Stock, the Secretary of the Corporation may, and upon the written request of the holders of record of 10% or more in number of the shares of Series A Preferred Stock and each Other Series of Preferred Stock then outstanding addressed to the Secretary at the principal executive office of the Corporation shall, call a special meeting of the holders of shares of Preferred Stock so entitled to vote, for the election of the directors to be elected by them as herein provided, to be held within 60 days after such call and at the place and upon the notice provided by law and in the Bylaws for the holding of meetings of stockholders; provided, however, that the Secretary shall not be required to call such special meeting in the case of any such request received less than 90 days before the date fixed for any annual meeting of stockholders, and if in such case such special meeting is not called or held, the holders of shares of Preferred Stock so entitled to vote shall be entitled to exercise

the special voting rights provided in this paragraph at such annual meeting. If any such special meeting required to be called as above provided shall not be called by the Secretary within 30 days after receipt of any such request, then the holders of record of 10% or more in number of the shares of Series A Preferred Stock and each Other Series of Preferred Stock then outstanding may designate in writing one of their number to call such meeting, and the person so designated may, at the expense of the Corporation, call such meeting to be held at the place and upon the notice given by such person, and for that purpose shall have access to the stock books of the Corporation. No such special meeting and no adjournment thereof shall be held on a date later than 60 days before the annual meeting of stockholders. If, at any meeting so called or at any annual meeting held while the holders of shares of Series A Preferred Stock have the special voting rights provided for in this paragraph, the holders of not less than 40% of the shares of Series A Preferred Stock and each Other Series of Preferred Stock then outstanding are present in person or by proxy, which percentage shall be sufficient to constitute a quorum for the election of additional directors as herein provided, the then authorized number of directors of the Corporation shall be increased by two, as of the time of such special meeting or the time of the first such annual meeting held while such holders have special voting rights and such quorum is present, and the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock, voting as a class, shall be entitled to elect the additional directors so provided for. If the directors of the Corporation are then divided into classes under provisions of the Restated Articles of Incorporation of the Corporation or the Bylaws, the two additional directors shall be members of those respective classes of directors in which a vacancy is created as a result of such increase in the authorized number of directors. If the foregoing expansion of the size of the Board of Directors shall not be valid under applicable law, then the holders of shares of Series A Preferred Stock and of each Other Series of Preferred Stock, voting as a class, shall be entitled, at the meeting of stockholders at which they would otherwise have voted, to elect directors to fill any then existing vacancies on the Board of Directors, and shall additionally be entitled, at such meeting and each subsequent meeting of stockholders at which directors are elected, to elect all of the directors then being elected until by such class vote two members of the Board of Directors have been so elected. Upon the election at such meeting by the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock, voting as a class, of the directors they are entitled so to elect, the persons so elected, together with such persons as may be directors or as may have been elected as directors by the holders of all shares (including Series A Preferred Stock) otherwise entitled to vote for directors, shall constitute the duly elected directors of the Corporation. The additional directors so elected

by holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock, voting as a class, shall serve until the next annual meeting or until their respective successors shall be elected and qualified, or if any such director is a member of a class of directors under provisions dividing the directors into classes, each such director shall serve until the annual meeting at which the term of office of such director's class shall expire or until such director's successor shall be elected and shall qualify, and at each subsequent meeting of stockholders at which the directorship of any director elected by the vote of holders of shares of Series A Preferred Stock and each other Series of Preferred Stock under the special voting rights set forth in this paragraph is up for election, said special class voting rights shall apply in the reelection of such director or in the election of such director's successor; provided, however, that whenever the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock shall be divested of the special rights to elect two directors as above provided, the terms of office of all persons elected as directors by the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock, voting as a class, or elected to fill any vacancies resulting from the death, resignation, or removal of directors so elected by the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock, shall forthwith terminate (and, if applicable, the number of directors shall be reduced accordingly). If, at any time after a special meeting of stockholders or an annual meeting of stockholders at which the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock, voting as a class, have elected directors as provided above, and while the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock shall be entitled so to elect two directors, the number of directors who have been elected by the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock (or who by reason of one or more resignations, deaths or removals have succeeded any directors so elected) shall by reason of resignation, death or removal be less than two but at least one, the vacancy in the directors so elected by the holders of shares of the Series A Preferred Stock and each Other Series of Preferred Stock may be filled by the remaining director elected by such holders, and in the event that such election shall not occur within 30 days after such vacancy arises, or in the event that there shall not be incumbent at least one director so elected by such holders, the Secretary of the Corporation may, and upon the written request of the holders of record of 10% or more in number of the shares of Series A Preferred Stock and each Other Series of Preferred Stock then outstanding addressed to the Secretary at the principal office of the Corporation shall, call a special meeting of the holders of shares of Series A Preferred Stock and each Other Series of Preferred Stock so entitled to vote, for an election to fill such vacancy or vacancies, to be held within 60 days after such call

and at the place and upon the notice provided by law and in the Bylaws for the holding of meetings of stockholders; provided, however, that the Secretary shall not be required to call such special meeting in the case of any such request received less than 90 days before the date fixed for any annual meeting of stockholders, and if in such case such special meeting is not called, the holders of shares of Preferred Stock so entitled to vote shall be entitled to fill such vacancy or vacancies at such annual meeting. If any such special meeting required to be called as above provided shall not be called by the Secretary within 30 days after receipt of any such request, then the holders of record of 10% or more in number of the shares of Series A Preferred Stock and each Other Series of Preferred Stock then outstanding may designate in writing one of their number to call such meeting, and the person so designated may, at the expense of the Corporation, call such meeting to be held at the place and upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation; no such special meeting and no adjournment thereof shall be held on a date later than 60 days before the annual meeting of stockholders.

(d) Nothing herein shall prevent the directors or stockholders from taking any action to increase the number of authorized shares of Series A Preferred Stock, or increasing the number of authorized shares of Preferred Stock of the same class as the Series A Preferred Stock or the number of authorized shares of Common Stock, or changing the par value of the Common Stock or Preferred Stock, or issuing options, warrants or rights to any class of stock of the Corporation as authorized by the Restated Articles of Incorporation of the Corporation, as it may hereafter be amended.

(e) Except as set forth herein, holders of shares of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote as set forth in the Restated Articles of Incorporation of the Corporation or herein or by law) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever any dividends or other distributions payable on the Series A Preferred Stock as provided in Section 2 hereof are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not, directly or indirectly:

(i) declare or pay dividends on, or make any other distributions with respect to, any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on, or make any other distributions with respect to any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on shares of the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (both as to dividends and upon liquidation, dissolution or winding up) the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (both as to dividends and upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. Such shares may not be reissued as part of any series of preferred stock including Series A Preferred Stock).

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made to:

(a) the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received the greater of (i) \$4.00 per share (\$.01 per one four-hundredth of a

share), plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, or (ii) an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 400 times the aggregate amount to be distributed per share to holders of shares of Common Stock (the "Series A Liquidation Preference"); or

(b) the holders of shares of Preferred Stock regardless of series, except distributions made ratably on the Series A Preferred Stock and all other Preferred Stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

In the event that the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then and in each such event, the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (ii) at paragraph (a) of this Section 6 shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In the event that the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, or otherwise changed, then and in each such event, the shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 400 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event that the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then and in each such event, the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable. Notwithstanding the foregoing, the Corporation may acquire shares of Series A Preferred Stock in any other manner permitted by law, the Restated Articles of Incorporation of the Corporation or herein.

Section 9. Amendment. The Restated Articles of Incorporation of the Corporation shall not be amended in any manner that would materially and adversely alter or change the powers, preferences or special rights of the Series A Preferred Stock without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single series.

Section 10. Fractional Shares. Series A Preferred Stock may be issued in fractions of a share (in one four-hundredth (1/400) of a share and integral multiples thereof) that shall entitle the holder thereof, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of holders of shares of Series A Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate of Amendment and do affirm the foregoing as true under the penalties of perjury this day of , 19 .

Hayward D. Fisk
Vice President

Stephen E. Johnson
Assistant Secretary

Exhibit B

FORM OF
RIGHTS CERTIFICATE

Certificate No. R-_____

_____ Rights

NOT EXERCISABLE AFTER DECEMBER 21, 1998 OR EARLIER IF REDEEMED. THE RIGHTS ARE SUBJECT TO REDEMPTION AT \$.01 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES SPECIFIED IN THE RIGHTS AGREEMENT, RIGHTS BENEFICIALLY OWNED BY CERTAIN PERSONS OR ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID.

Rights Certificate

COMPUTER SCIENCES CORPORATION

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms and conditions of a Rights Agreement (the "Rights Agreement") dated as of December 21, 1988, as amended and restated as of October 30, 1995, by and between COMPUTER SCIENCES CORPORATION, a Nevada corporation (the "Company"), and CHEMICAL MELLON SHAREHOLDER SERVICES (the "Rights Agent"), to purchase from the Company at any time prior to 5:00 o'clock p.m., California time, on the earliest of (i) the date of the action of a majority, but not less than three, of the Independent Directors directing the Company to redeem the Rights pursuant to Section 23(a) of the Rights Agreement, (ii) the date upon which the Rights are redeemed pursuant to Section 25 of the Rights Agreement, or (iii) December 21, 1998, at the office or agency of the Rights Agent at 85 Challenger Road, Overpeck Centre, Ridgefield Park, New Jersey 07660, or at the office of its successor as Rights Agent, one four-hundredth of a fully paid and nonassessable share of Series A Junior Participating Cumulative Preferred Stock, par value \$1.00 per share, of the Company (a "Preferred Share") or, in certain circumstances, other securities or other property, at a purchase price of \$235.00 per one four-hundredth of a Preferred Share (the "Exercise Price"), upon presentation and surrender of this Rights Certificate with the Form of Election to Purchase, including Certificate, on the reverse side hereof completed and duly executed, with signature guaranteed.

The number of Rights represented by this Rights Certificate and the Exercise Price set forth above are the number of Rights and the Exercise Price as of December 21, 1988, based upon the Preferred Shares as constituted on such date. As provided in the Rights Agreement, the Exercise Price and the number of Preferred Shares or other securities or other property that may be purchased upon the exercise of the Rights represented by this

Rights Certificate are subject to modification and adjustment upon the occurrence of certain events.

The Rights Agreement contains a full description of the rights, limitations of rights, obligations, duties and immunities of the Rights Agent, the Company and the holders of Rights Certificates. This Rights Certificate is subject to all the terms and conditions of the Rights Agreement, which terms and conditions are hereby incorporated herein by reference and made a part hereof. Copies of the Rights Agreement are on file at the principal executive offices of the Company and the above-mentioned offices of the Rights Agent.

This Rights Certificate, with or without other Rights Certificates, upon presentation and surrender at the above-mentioned offices of the Rights Agent, with the Form of Assignment, including Certificate, on the reverse side hereof completed and duly executed, with signature guaranteed, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date representing Rights entitling the holder thereof to purchase a like aggregate number of Preferred Shares or, in certain circumstances, other securities or other property, as the Rights represented by the Rights Certificate or Rights Certificates surrendered shall have entitled such holder to purchase. If this Rights Certificate shall be exercised in part, the holder shall be entitled to receive, upon the surrender hereof with the Form of Election to Purchase, including Certificate, on the reverse side hereof completed and duly executed, with signature guaranteed, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised. Subject to the provisions of the Rights Agreement, the Rights represented by this Rights Certificate may be redeemed by the Company, at its option, at a redemption price of \$.01 per Right.

No fractional securities shall be issued upon the exercise of any Right or Rights represented hereby (other than fractions of Preferred Shares that are integral multiples of one four-hundredth of a Preferred Share, that may, at the option of the Company, be represented by depositary receipts), but in lieu thereof, a cash payment shall be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or other securities or property that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to

receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, until the Right or Rights represented by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal. Dated as of _____, ____.

Attest: COMPUTER SCIENCES CORPORATION
a Nevada corporation

By _____ By _____
Name: Name:
Title: Title:

Countersigned:
Chemical Mellon Shareholder Services,
as Rights Agent

By _____
Name:
Title:

Form of Reverse Side of Rights Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer any or all of the Rights represented by this Rights Certificate)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Name, address and social security or other identifying number of transferee)

_____ () of the Rights represented by this Rights Certificate, together with all right, title and interest in and to said Rights, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Rights on the books of Project First Corporation with full power of substitution.

Dated: _____, 19____ _____
(Signature)

Signature Guaranteed:

Certificate

(to be completed, if true)

The undersigned hereby certifies that the Rights represented by this Rights Certificate are not Beneficially owned by a 20% Stockholder or an Affiliate or Associate of a 20% Stockholder (as such capitalized terms are defined in the Rights Agreement).

Dated: _____, 19____ _____
(Signature)

Signature Guaranteed:

Form of Reverse Side of Rights Certificate
(continued)

NOTICE

The signatures to the foregoing Assignment and the foregoing Certificate, if applicable, must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever, and must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

In the event that the foregoing Certificate is not duly executed, with signature guaranteed, the Company may deem the Rights represented by this Rights Certificate to be Beneficially Owned by a 20% Stockholder or an Affiliate or Associate of a 20% Stockholder (as such capitalized terms are defined in the Rights Agreement), and not issue any Rights Certificate or Rights Certificates in exchange for this Rights Certificate.

Form of Reverse Side of Rights Certificate
(continued)

FORM OF ELECTION TO PURCHASE

(To be executed by the registered holder if such holder
desires to exercise any or all of the Rights
represented by this Rights Certificate)

To COMPUTER SCIENCES CORPORATION:

The undersigned hereby irrevocably elects to exercise _____
Rights represented by this Rights Certificate to purchase the shares of
Preferred Stock issuable upon the exercise of the Rights (or such other
securities of the Company or of any other Person which may be issuable upon
the exercise of the Rights) and requests that certificates for such shares be
issued in the name of and delivered to:

Please insert social security _____
or other identifying number _____

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by
this Rights Certificate, a new Rights Certificate for the balance of such
Rights shall be registered in the name of and delivered to:

Please insert social security _____
or other identifying number _____

(Please print name and address)

Dated: _____, 19____ _____
(Signature)

Signature Guaranteed:

Form of Reverse Side of Rights Certificate
(continued)

Certificate
(to be completed, if true)

The undersigned hereby certifies that the Rights represented by this Rights Certificate are not Beneficially Owned by a 20% Stockholder or an Affiliate or Associate of a 20% Stockholder (as such capitalized terms are defined in the Rights Agreement).

Dated: _____ 19____

(Signature)

Signature Guaranteed:

NOTICE

The signatures to the foregoing Election and the foregoing Certificate, if applicable, must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever, and must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

In the event that the foregoing Certificate is not duly executed, with signature guaranteed, the Company may deem the Rights represented by this Rights Certificate to be Beneficially Owned by a 20% Stockholder or an Affiliate or Associate of a 20% Stockholder (as such capitalized terms are defined in the Rights Agreement), and not issue any property or certificate for securities upon the exercise of this Rights Certificate or issue any new Rights Certificate for any remaining balance of unexercised Rights represented by this Rights Certificate.

Exhibit C

SUMMARY OF THE RIGHTS

On December 21, 1988, the Board of Directors of Computer Sciences Corporation (the "Company") authorized and declared a dividend of one preferred stock purchase right (a "Right") for each share of common stock, par value \$1.00 per share, of the Company (the "Common Shares"). The dividend is payable on January 3, 1989 (the "Record Date") to the holders of record of Common Shares as of the close of business on such date.

The following is a brief description of the Rights. It is intended to provide a general description only and is subject to the detailed terms and conditions of a Rights Agreement (the "Rights Agreement") dated as of December 21, 1988, as amended and restated as of October 30, 1995, by and between the Company and Chemical Mellon Shareholder Services, as Rights Agent (the "Rights Agent").

1. Common Share Certificates Representing Rights

Until the Distribution Date (as defined in Section 2 below), (a) the Rights shall not be exercisable, (b) the Rights shall be attached to and trade only together with the Common Shares and (c) Common Share certificates shall represent the Rights related thereto. Common Share certificates issued after the Record Date and prior to the Distribution Date shall contain a notation incorporating the Rights Agreement by reference.

2. Distribution Date

The "Distribution Date" is the earlier of (a) the tenth business day following the date of the first public announcement that any person (other than the Company or certain related entities) has become the beneficial owner of 20% or more of the outstanding Common Shares (such person is a "20% Stockholder" and the date of such public announcement is the "20% Ownership Date") (or, if the tenth day after such announcement occurs before the Record Date, the close of business on the Record Date), or (b) the tenth business day following the date of the commencement of, or the announcement of an intention to make, a tender offer or exchange offer by any Person (other than the Company or certain related entities), if upon the consummation thereof such person would be the owner of at least 30% of the Common Shares.

Upon the close of business on the Distribution Date, the Rights shall separate from the Common Shares, Right certificates shall be issued and the Rights shall become exercisable to purchase Preferred Shares, Common Shares or other securities as described in Section 4 below.

3. Expiration of Rights

The Rights shall expire on December 21, 1998, unless earlier redeemed.

4. Exercise of Rights

Rights may be exercised, at the option of the holders, pursuant to paragraphs (a), (b) or (c) below. No Right may be exercised more than once or pursuant to more than one of such paragraphs. From and after the first event of the type described in paragraphs (b) or (c) below, each Right that is beneficially owned by a 20% Stockholder or that was attached to a Common Share that is subject to an option beneficially owned by a 20% Stockholder shall be void.

(a) Right to Purchase Preferred Shares. Unless the Rights have previously expired or been redeemed, from and after the close of business on the Distribution Date, each Right (other than a Right that has become void) shall be exercisable to purchase one four-hundredth of a share of Series A Junior Participating Cumulative Preferred Stock, par value \$1.00 per share, of the Company (the "Preferred Shares"), at an exercise price of \$235.00 (the "Exercise Price"). Prior to the Distribution Date, the Company may substitute for all or any portion of the Preferred Shares that would otherwise be issuable upon exercise of the Rights, cash, assets or other securities having the same aggregate value as such Preferred Shares. The Preferred Shares are nonredeemable and may not be issued except upon exercise of Rights. The holder of a Preferred Share is entitled to receive when, as and if declared, the greater of (a) cash and non-cash dividends in an amount equal to 400 times the dividends declared on each Common Share or (b) a preferential annual dividend of \$4.00 per Preferred Share (\$.01 per one four-hundredth of a Preferred Share). In the event of liquidation, the holders of Preferred Shares shall be entitled to receive a liquidation payment in an amount equal to the greater of (x) \$4.00 per Preferred Share (\$.01 per one four-hundredth of a Preferred Share), plus all accrued and unpaid dividends and distributions on the Preferred Shares, or (y) an amount equal to 400 times the aggregate amount to be distributed per Common Share. Each Preferred Share has one vote, voting together with the Common Shares. In the event of any merger, consolidation or other transaction in which Common Shares are exchanged, the holder of a Preferred Share shall be entitled to receive 400 times the amount received per Common Share. The rights of the Preferred Shares as to dividends, voting and liquidation preferences are protected by anti-dilution provisions.

(b) Right to Purchase Common Shares of the Company. Unless the Rights have previously expired or been redeemed, from and after the close of business on the tenth business day following

the 20% Ownership Date (or, if the tenth business day after the 20% ownership Date occurs before the Record Date, the close of business on the Record Date), each Right (other than a Right that has become void) shall be exercisable to purchase one Common Share at 10% of the then current market value of the Common Shares. If the Company does not have sufficient Common Shares available for all Rights to be exercised, the Company shall substitute for all or any portion of the Common Shares that would otherwise be issuable upon the exercise of the Rights, cash, assets or other securities or any combination of the foregoing having the same aggregate value as such Common Shares.

(c) Right to Purchase Common Stock of a Successor Corporation. Unless the Rights have previously expired or been redeemed, if, on or after the 20% Ownership Date, (a) the Company is acquired in a merger or other business combination in which the Company is not the surviving corporation or in which the outstanding Common Shares are changed into or exchanged for stock or assets of another person or (b) 50% or more of the Company's consolidated assets or earning power are sold (other than in transactions in the ordinary course of business), then each Right (other than a Right that has become void) shall thereafter be exercisable to purchase, at the Exercise Price (initially \$235.00), shares of common stock of the surviving corporation or purchaser, respectively, with an aggregate market value equal to two times the Exercise Price. If the surviving corporation or purchaser does not have sufficient common stock available or is not publicly held, then each Right can be put to the surviving corporation or purchaser for a cash payment equal to the Exercise Price.

5. Adjustments to Prevent Dilution. The Exercise Price, the number of outstanding Rights and the number of Preferred Shares or Common Shares issuable upon exercise of the Rights are subject to adjustment from time to time as set forth in the Rights Agreement in order to prevent dilution.

6. Cash Paid Instead of Issuing Fractional Securities. No fractional securities shall be issued upon exercise of a Right (other than fractions of Preferred Shares that are integral multiples of one four-hundredth of a Preferred Share and that may, at the election of the Company, be evidenced by depositary receipts) and in lieu thereof, an adjustment in cash shall be made based on the market price of such securities.

7. Redemption. At any time prior to the close of business on the earliest of (i) the tenth business day after the date of the first event of the type described in Section 4(b) above, (ii) the date of the first event of the type described in Section 4(c) above or (iii) the Rights' date of expiration given in Section 3 above, the Board of Directors may direct the Company to redeem the Rights in whole, but not in part, at a price of \$.01

per Right (the "Redemption Price"), and the Company shall so redeem the Rights. Thereafter, the right to exercise Rights shall terminate and the only right of the holders of Rights shall be to receive the Redemption Price.

8. No Stockholder Rights Prior to Exercise. Until a Right is exercised, the holder thereof, as such, shall have no rights as a stockholder of the Company (other than rights resulting from such holder's ownership of Common Shares), including, without limitation, the right to vote or receive dividends.

9. Amendment of Rights Agreement. At any time prior to the close of business on the earliest of (i) the tenth business day after the date of the first event of the type described in Section 4(b) above, (ii) the date of the first event of the type described in Section 4(c) above or (iii) the Rights' date of expiration given in Section 3 above, the Board of Directors may, without the approval of any holders of Rights, direct the Company and the Rights Agent to amend the Rights Agreement in any manner, whether or not such amendment is adverse to the holders of Rights. At any time thereafter the first event of the type described in Section 4(b) or (c) above, the Board of Directors may, without the approval of any holders of Rights, direct the Company and the Rights Agent to amend the Rights Agreement in any manner so long as such amendment does not materially and adversely affect the interests of the holders of Rights.

COMPUTER SCIENCES CORPORATION

CALCULATION OF EARNINGS PER SHARE
(In thousands except earnings per share)

	Second Quarter Ended		Six Months Ended	
	Sep. 29, 1995	Sep. 30, 1994	Sep. 29, 1995	Sep. 30, 1994
Net earnings	\$30,353	\$22,923	\$58,070	\$44,745
Shares:				
Weighted average shares outstanding	55,569	50,821	55,436	50,760
Common stock equivalent	1,623	1,495	1,585	1,487
Total for primary and fully diluted	57,192	52,316	57,021	52,247
Earnings Per Share:				
Primary and fully diluted	\$0.53	\$0.44	\$1.02	\$0.86

* The fully diluted calculation is submitted in accordance with Regulation S-K item 601 (b) (11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.

Mar-29-1996		
Mar-31-1995		
Sep-29-1995		
6-MOS		
	26,220	
	0	
	942,088	
	18,697	
	0	
1,068,180		
	1,027,877	
	444,477	
	2,403,558	
667,566		
	421,492	
	55,928	
0		
	0	
	1,158,845	
2,403,558		
		0
1,971,497		
		0
	1,566,474	
	112,082	
	11,093	
	15,008	
	94,370	
	36,300	
58,070		
	0	
	0	
		0
	58,070	
	1.02	
	1.02	

COMPUTER SCIENCES CORPORATION

REVENUES BY MARKET SECTOR
(\$ in millions)

	Fiscal Period Ended		% of Total	
	Sep. 29, 1995	Sep. 30, 1994	Sep. 29, 1995	Sep. 30, 1994
Second Quarter				
U.S. Federal Government:				
Department of Defense	\$223.9	\$205.1	22 %	26
NASA	77.5	77.4	8	10
Civil agencies	71.5	89.2	7	11
Total	372.9	371.7	37	47
Commercial:				
Domestic	367.3	262.3	37	33
International	264.5	154.5	26	20
Total	631.8	416.8	63	53
Total revenues	\$1,004.7	\$788.5	100 %	100
Six Months				
U.S. Federal Government:				
Department of Defense	\$448.5	\$390.3	23 %	26
NASA	156.5	138.0	8	9
Civil agencies	150.6	171.8	7	11
Total	755.6	700.1	38	46
Commercial:				
Domestic	712.8	527.2	36	34
International	503.1	299.3	26	20
Total	1,215.9	826.5	62	54
Total revenues	\$1,971.5	\$1,526.6	100 %	100

Signatures

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

COMPUTER SCIENCES CORPORATION
Registrant

Date: November 13, 1995

By: /s/ Denis M. Crane

Denis M. Crane
Vice President and Controller
Chief Accounting Officer