UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 27, 2005

ETHAN ALLEN INTERIORS INC.
(Exact name of registrant as specified in its charter)

Delaware	**1-11692**	**06-1275288**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Ethan Allen Drive **Danbury, CT**	**06811**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(203) 743-8000**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN REPORT

Item 1.01 Entry into a Material Definitive Agreement

On September 27, 2005, Ethan Allen Interiors Inc., through its wholly-owned subsidiary Ethan Allen Global, Inc., ("Ethan Allen" or the "Company") closed on the sale of $200.0 million aggregate principal amount of 5.375% senior notes due 2015 (the "Notes"), pursuant to the terms of a purchase agreement dated as of September 22, 2005, among Ethan Allen Global, Inc., as issuer, Ethan Allen Interiors Inc., Ethan Allen Operations, Inc., Ethan Allen Realty, LLC, Ethan Allen Retail, Inc., Lake Avenue Associates, Inc., and Manor House, Inc., as guarantors on a joint and several basis (the "Guarantors"), and J.P. Morgan Securities Inc. (the "Initial Purchaser"), a copy of which is attached hereto as Exhibit 10.1 (the "Purchase Agreement"). The Notes were offered only to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States in accordance with Regulation S.

The above description of the Purchase Agreement is qualified in its entirety by reference to the terms of the Purchase Agreement, attached hereto as Exhibit 10.1 and incorporated herein by reference.

On September 27, 2005, Ethan Allen and the Guarantors entered into an indenture, a copy of which is attached hereto as Exhibit 10.2 (the "Indenture"), with U.S. Bank National Association, as trustee (the "Trustee"). The Indenture sets forth the rights and provisions governing the Notes. Principal is payable on the Notes on October 1, 2015. Interest is payable on the Notes semi-annually in arrears on April 1 and October 1 of each year beginning on April 1, 2006. The Notes may be redeemed in whole or in part, at Ethan Allen's option at any time at the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed discounted to the date of redemption on a semi-annual basis at the applicable treasury rate plus 20 basis points, plus, in each case, accrued and unpaid interest to the redemption date. In the event of default, the Trustee or the holders of 25% of the outstanding principal amount of the Notes may accelerate payment of principal, premium, if any, and accrued and unpaid interest. Events of default include failure to pay in accordance with the terms of the Indenture, including failure, under certain circumstances, to pay indebtedness other than the Notes.

The above description of the Indenture is qualified in its entirety by reference to the terms of the Indenture, attached hereto as Exhibit 10.2 and incorporated herein by reference.

On September 27, 2005, Ethan Allen and the Guarantors entered into a registration rights agreement, a copy of which is attached hereto as Exhibit 10.3 (the "Registration Rights Agreement"), with the Initial Purchaser. Pursuant to the terms of the Registration Rights Agreement, Ethan Allen agreed, for the benefit of the holders of the Notes, at Ethan Allen's cost, to cause to be filed an exchange offer registration statement (the "Registration Statement") with the Securities and Exchange Commission ("SEC"). The Company has agreed to use its commercially reasonable efforts to consummate the exchange offer within 240 days after the issuance of the Notes. The Registration Statement shall remain effective until 180 days after the closing of the exchange offer which shall commence promptly after the Registration Statement is declared effective by the SEC. The Company has agreed to file a shelf registration statement for the resale of the Notes if it cannot effect the exchange offer within the time period referred to above, or under other circumstances specified in the Registration Rights Agreement. The interest rate on the Notes will increase if the Company does not comply with certain of its obligations under the Registration Rights Agreement. During the period the Company fails to comply with these obligations, it will pay additional interest on the notes at a rate of 0.50% per year for the first 90-day period following such failure, and a rate of 1.00% per year after the termination of such 90-day period following such failure, until the exchange offer is completed or the shelf registration statement, if required, is declared effective or the Notes otherwise become freely tradable under the Securities Act.

The above description of the Registration Rights Agreement is qualified in its entirety by reference to the terms of the Registration Rights Agreement, attached hereto as Exhibit 10.3 and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information provided in response to Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 8.01 Other Events

On September 28, 2005, the Company announced the closing of the sale of the Notes. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference. Other details of the transaction are described under Item 1.01 above.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit	Description
10.1	Purchase Agreement dated September 22, 2005, by and among Ethan Allen Global, Inc., the Guarantors named therein, and the Initial Purchaser named therein, relating to the Notes
10.2	Indenture dated September 27, 2005, by and among Ethan Allen Global, Inc., the Guarantors named therein, and the Initial Purchaser named therein, relating to the Notes
10.3	Registration Rights Agreement dated September 27, 2005, by and among Ethan Allen Global, Inc., the Guarantors named therein, and the Initial Purchaser named therein, relating to the Notes
99.1	Press release dated September 28, 2005

SIGNATURES

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

ETHAN ALLEN INTERIORS INC.

Date: September 30, 2005

By:/s/ M. Farooq Kathwari
M. Farooq Kathwari
Chairman, President and Chief Executive Officer

EXHIBIT INDEX

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Exhibit 10.1

[EXECUTION COPY]

PURCHASE AGREEMENT

$ 200,000,000

ETHAN ALLEN GLOBAL, INC.

5.375% Senior Notes due 2015

guaranteed by

ETHAN ALLEN INTERIORS INC.
ETHAN ALLEN OPERATIONS, INC.
ETHAN ALLEN REALTY, LLC
ETHAN ALLEN RETAIL, INC.
LAKE AVENUE ASSOCIATES, INC.
MANOR HOUSE, INC.

Dated as of September 22, 2005

Purchase Agreement

September 22, 2005

J.P. Morgan Securities Inc.
As Initial Purchaser
c/o J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

Ethan Allen Global, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to J.P. Morgan Securities Inc. (the "Initial Purchaser") $200,000,000 principal amount of its 5.375% Senior Notes due 2015 (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of September 27, 2005 among the Company, Ethan Allen Interiors Inc., a Delaware corporation ("Holdings"), the several Subsidiary Guarantors listed in Schedule 1 hereto (collectively with Holdings, the "Guarantors"), and U.S. Bank National Association, as trustee (the "Trustee"), and will be guaranteed on an unsecured senior basis by the Guarantors (the "Guarantees").

The Securities will be offered and sold to the Initial Purchaser without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The Company and the Guarantors have prepared a preliminary offering memorandum dated September 21, 2005 (the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Company, the Guarantors and the Securities. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company and the Guarantors to the Initial Purchaser pursuant to the terms of this Agreement. The Company and the Guarantors hereby confirm that they have authorized the use of the Preliminary Offering Memorandum and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchaser in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Offering Memorandum. References herein to the Preliminary Offering Memorandum and the Offering Memorandum shall be deemed to refer to and include any supplement or amendment thereto and any document incorporated by reference therein.

Holders of the Securities (including the Initial Purchaser and its direct and indirect transferees) will be entitled to the benefits of a Registration Rights Agreement, to be dated the Closing Date (as defined below) and substantially in the form attached hereto as Exhibit A (the "Registration Rights Agreement"), pursuant to which the Company and the Guarantors will agree to file one or more registration statements with the Securities and Exchange Commission (the "Commission") providing for the registration under the Securities Act of the Securities or the Exchange Securities referred to and defined in the Registration Rights Agreement.

The Company and the Guarantors hereby confirm their agreement with the Initial Purchaser concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) The Company agrees to issue and sell the Securities to the Initial Purchaser as provided in this Agreement, and the Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees to purchase from the Company $200,000,000 principal amount of Securities at a price equal to 98.548% of the principal amount thereof plus accrued interest, if any, from September 27, 2005 to the Closing Date. The Company will not be obligated to deliver

any of the Securities except upon payment for all the Securities to be issued and purchased as provided herein.

(b) The Company understands that the Initial Purchaser intends to offer the Securities for resale on the terms set forth in the Offering Memorandum. The Initial Purchaser represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a "QIB") and an accredited investor within the meaning of Rule 501(a) under the Securities Act;

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(A) within the United States to persons whom it reasonably believes to be QIBs in transactions pursuant to Rule 144A under the Securities Act ("Rule 144A") and, in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A (or, if the purchaser is buying for one or more institutional accounts for which such purchaser is acting as fiduciary or agent, to ensure that such purchaser has represented to it that each such purchaser is a QIB to whom notice has been given that such sale is being made in reliance on and in accordance with Rule 144A); or

(B) in accordance with the restrictions set forth in Annex A hereto.

(c) The Initial Purchaser acknowledges and agrees that the Company and the Guarantors and, for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Sections 5(f) and 5(g), counsel for the Company and the Guarantors and counsel for the Initial Purchaser, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchaser, and compliance by the Initial Purchaser with its agreements, contained in paragraph (b) above (including Annex A hereto), and the Initial Purchaser hereby consents to such reliance.

(d) The Company acknowledges and agrees that the Initial Purchaser may offer and sell Securities to or through any of its affiliates (who will also be subject to the terms and conditions of this Agreement), and that any such affiliate may offer and sell Securities purchased by it to or through the Initial Purchaser.

(e) The Company acknowledges and agrees that the Initial Purchaser is acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, no Initial Purchaser is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company has consulted its own advisors concerning such matters to the extent it deemed appropriate and will be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Initial Purchaser shall have no responsibility or liability to the Company with respect to the transactions contemplated hereby except the obligations expressly

set forth in this Agreement. Any review by the Initial Purchaser of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Initial Purchaser and shall not be on behalf of the Company.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017 at 10:00 A.M., New York City time, on September 27, 2005, or at such other time or place on the same or such other date, not later than the third business day thereafter, as the Initial Purchaser and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date".

(b) Payment for the Securities shall be made by wire transfer in immediately available same day funds to the account(s) specified by the Company to the Initial Purchaser against delivery to the nominee of The Depository Trust Company, for the account of the Initial Purchaser, of one or more global notes representing the Securities (collectively, the "Global Note"), in such denominations as the Initial Purchaser shall request in writing not later than two full Business Days prior to the Closing Date, with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Initial Purchaser not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Company and the Guarantors. The Company and each of the Guarantors jointly and severally represent and warrant to the Initial Purchaser that:

(a) *Offering Memorandum.* The Preliminary Offering Memorandum, as of its date, did not, and the Offering Memorandum, in the form first used by the Initial Purchaser to confirm sales of the Securities and as of the Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company and each of the Guarantors make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to the Initial Purchaser furnished to the Company or any Guarantor in writing by the Initial Purchaser expressly for use in the Preliminary Offering Memorandum and the Offering Memorandum.

(b) *Incorporated Documents.* The documents incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum, when filed with the Commission, conformed or will conform, as the case may be, in all material respects with the requirements of the Exchange Act and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) *Financial Statements.* The consolidated financial statements of Holdings and the related schedules and notes thereto included or incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and present fairly in all material respects the consolidated financial position of Holdings and its subsidiaries as of the dates indicated and the consolidated results of operations and cash flow of Holdings and its subsidiaries for the periods specified; such consolidated financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby (except for the restatement described therein); the other financial information included or incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum has been derived from the accounting records of Holdings and its subsidiaries and presents fairly in all material respects the information shown thereby.

(d) *No Material Adverse Change.* Since the date of the most recent consolidated financial statements of Holdings, included or incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum, (i) there has not been any material change in the capital stock or long-term debt of the Company, Holdings or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company or any Guarantor on any class of capital stock (other than regular quarterly dividends paid by Holdings), or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, shareholders' equity or results of operations of Holdings and its subsidiaries taken as a whole (other than (x) the pre-tax restructuring and impairment charge announced by Holdings on September 7, 2005 in connection with its plan to convert its Dublin, Virginia manufacturing facility into a large, regional distribution center and (y) the corporate restructuring announced August 3, 2005 that included the establishment of several wholly-owned subsidiaries); (ii) none of the Company, Holdings or any of the Significant Subsidiaries (as defined in Section 3(e) below) has entered into any transaction or agreement that is material to Holdings and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to Holdings and its subsidiaries taken as a whole (other than the pre-tax restructuring and impairment charge and the corporate restructuring respectively referred to in (i) above); and (iii) none of the Company, Holdings or any of the Significant Subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Preliminary Offering Memorandum and the Offering Memorandum.

(e) *Organization and Good Standing.* The Company, Holdings and each of the Significant Subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all corporate power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or have such power or authority would not, individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, results of operations or prospects of Holdings and its subsidiaries taken as a whole or on the performance by the Company and the Guarantors of their obligations under the Securities and the Guarantees (a "Material Adverse Effect"). The subsidiaries listed in Schedule 2 to this Agreement (the "Significant Subsidiaries"; each, a "Significant Subsidiary") are the only significant subsidiaries of the Company.

(f) *Capitalization.* Holdings has an authorized capitalization as set forth in the Preliminary Offering Memorandum and the Offering Memorandum under the heading "Capitalization"; and all the outstanding shares of capital stock or other equity interests of the Company and each Significant Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by Holdings free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(g) *Due Authorization.* The Company and the Guarantors have the full corporate right, power and authority to execute and deliver, as applicable, this Agreement, the Securities, the Indenture (including each Guarantee set forth therein), the Exchange Securities and the Registration Rights Agreement (collectively, the "Transaction Documents") and to perform their respective obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery, as applicable, of each Transaction Documents by the Company and each of the Guarantors party thereto and the consummation of the transactions contemplated thereby to be consummated by it has been duly and validly taken.

(h) *The Indenture*. The Indenture has been duly authorized by the Company and each of the Guarantors and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (collectively, the "Enforceability Exceptions"); and, on the Closing Date, the Indenture will conform in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission applicable to an indenture that is qualified thereunder.

(i) *The Securities and the Guarantees*. The Securities have been duly authorized by the Company and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for by the Initial Purchaser as provided in this Agreement, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture; and the Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be valid and legally binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(j) *The Exchange Securities*. On the Closing Date, the Exchange Securities (including the related guarantees) will have been duly authorized by the Company and each of the Guarantors and, when duly executed, authenticated, issued and delivered as contemplated by the Registration Rights Agreement, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company, as issuer, and each of the Guarantors, as guarantors, enforceable against the Company and each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase and Registration Rights Agreements.* This Agreement has been duly authorized, executed and delivered by the Company and each of the Guarantors; and the Registration Rights Agreement has been duly authorized by the Company and each of the Guarantors and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, subject to the Enforceability Exceptions, and except that rights to indemnity and contribution thereunder may be limited by applicable law and public policy.

(l) *Descriptions of the Transaction Documents*. Each Transaction Document conforms in all material respects to the description thereof contained in the Preliminary Offering Memorandum and the Offering Memorandum.

(m) *No Violation or Default.* None of the Company, Holdings or any of the Significant Subsidiaries is (i) in violation of its charter, by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, Holdings or any of the Significant Subsidiaries is a party or by which the Company, Holdings or any of the Significant Subsidiaries is bound or to which any of the property or assets of the Company, Holdings or any of the Significant Subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii)

above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(n) *No Conflicts.* The execution, delivery and performance by the Company and each of the Guarantors of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by the Company and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of the Guarantors pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of the Guarantors is a party or by which the Company or any of the Guarantors is bound or to which any of the property or assets of the Company or any of the Guarantors is subject, (ii) result in any violation of the provisions of the charter, by-laws or similar organizational documents of the Company or any of the Guarantors or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(o) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company and each of the Guarantors of each of the Transaction Documents to which it is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by the Company and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents to be consummated by it, except for such consents, approvals, authorizations, orders and registrations or qualifications as may be required (i) under applicable foreign or state securities laws in connection with the purchase and resale of the Securities by the Initial Purchaser and (ii) with respect to the Exchange Securities (including the related guarantees) under the Securities Act and applicable foreign or state securities laws as contemplated by the Registration Rights Agreement.

(p) *Legal Proceedings.* Except as described in the Preliminary Offering Memorandum and the Offering Memorandum, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company, Holdings or any of the Significant Subsidiaries is or may be a party or to which any property of the Company, Holdings or any of the Significant Subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company, Holdings or any of

the Significant Subsidiaries, is reasonably expected to have a Material Adverse Effect; and, to the best knowledge of the Company and each of the Guarantors, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or threatened by others.

(q) *Independent Accountants.* KPMG LLP, who have certified certain financial statements of Holdings and its subsidiaries, are independent public accountants with respect to Holdings and its subsidiaries within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants and its interpretations and rulings thereunder.

(r) *Investment Company Act.* None of the Company nor any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Investment Company Act").

(s) *Title to Real and Personal Property*. The Company, Holdings and the Significant Subsidiaries have good and marketable title in fee simple (or the equivalent thereof under analogous principles of applicable foreign law) to all items of real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially affect the value of such property and do not interfere with the use made or proposed to be made of such property by the Company, Holdings and the Significant Subsidiaries or (ii) are not reasonably expected, individually or in the aggregate, to have a Material Adverse Effect. Any material real property and buildings held under lease by the Company, Holdings and the Significant Subsidiaries are held by them under valid, existing and enforceable leases with such exceptions as (A) are not reasonably expected, individually or in the aggregate, to have a Material Adverse Effect and (B) do not interfere with the use made or proposed to be made of such property and buildings by the Company, Holdings or the Significant Subsidiaries.

(t) *Title to Intellectual Property*. The Company, Holdings and the Significant Subsidiaries own, possess or can acquire on reasonable terms adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses as now operated or employed by them, except where the failure to own, possess or acquire such intellectual property rights would not have a Material Adverse Effect; and the Company, Holdings and the Significant Subsidiaries have not received any notice of any claim of infringement of or conflict with any such rights of others that, if determined adversely to Holdings or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(u) *Licenses and Permits*. The Company, Holdings and the Significant Subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the Preliminary Offering Memorandum and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and, except as described in the Preliminary Offering Memorandum and the Offering Memorandum, none of the Company, Holdings or any of the Significant Subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, if in any such case, such revocation, modification or non-renewal would individually or in the aggregate have a Material Adverse Effect.

(v) *Taxes*. Holdings and its subsidiaries have filed all material federal, state, local and foreign tax returns that have been required to be filed (after giving effect to any extensions of time properly applied for) and have paid all taxes shown thereon and all assessments received by Holdings and its subsidiaries (or any of them) to the extent that such taxes have become due and are not being contested in good faith; and, except as disclosed in the Preliminary Offering Memorandum and the Offering Memorandum, there is no material tax deficiency that has been or is reasonably expected to be asserted against Holdings or any of its subsidiaries or any of their respective properties or assets.

(w) *No Labor Disputes*. No labor disturbance by or dispute with employees of Holdings or any of its subsidiaries exists or, to the best knowledge of the Company and each of Guarantors, is threatened which is reasonably expected to have a Material Adverse Effect.

(x) *Insurance*. Holdings and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as are, in the

judgment of Holdings, appropriate to protect Holdings and its subsidiaries and their respective businesses; and none of Holdings or any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that material capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage, to the extent that, in its judgment, it deems to be appropriate, as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(y) *No Broker's Fees.* None of the Company, Holdings or any of the Significant Subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or the Initial Purchaser for a brokerage commission, finder's fee or other like payment in connection with the offering and sale of the Securities.

(z) *Compliance With Environmental Laws.* Holdings and its subsidiaries (i) are in compliance with any and all applicable federal, state, local and foreign laws, rules and regulations, decisions and orders relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (iii) except as described in the Preliminary Offering Memorandum and the Offering Memorandum, have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except in the case of any of (i), (ii) or (iii) above, that would not, individually or in the aggregate, have a Material Adverse Effect.

(aa) *Rule 144A Eligibility.* On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system; and each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, contains or incorporates by reference (or will contain or incorporate by reference) all the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(bb) *No Integration.* None of the Company, the Guarantors or any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(cc) *No General Solicitation or Directed Selling Efforts.* None of the Company, the Guarantors or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchaser, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(dd) *Securities Law Exemptions.* Assuming the accuracy of the representations and warranties of the Initial Purchaser contained in Section 1(b) (including Annex A hereto) and its compliance with its agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchaser and the offer, resale and delivery of the Securities by the Initial Purchaser in the manner contemplated by this Agreement and the Offering Memorandum, to register the Securities or the Guarantees under the Securities Act or to qualify the Indenture under the Trust Indenture Act.

(ee) *No Stabilization.* Neither the Company nor any of the Guarantors has taken, directly or indirectly, any action designed to or that is reasonably expected to cause or result in any stabilization or manipulation of the price of the Securities.

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

(gg) *Controls*. Holdings and each of its subsidiaries (i) maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (ii) maintains a system of "disclosure controls and procedures" (as such term is defined in Rule 13a-14(c) under the Exchange Act).

(hh) *Sarbanes-Oxley*. Holdings and each of its subsidiaries are in compliance in all material respects with the applicable provisions of the Sarbanes-Oxley Act of 2002.

4. Further Agreements of the Company and the Guarantors. The Company and the Guarantors jointly and severally covenant and agree with the Initial Purchaser that:

(a) *Delivery of Copies.* The Company and the Guarantors will deliver to the Initial Purchaser as many copies of the Preliminary Offering Memorandum and the Offering Memorandum (including all amendments and supplements thereto) as the Initial Purchaser may reasonably request.

(b) *Amendments or Supplements.* At any time prior to completion of the initial offering of the Securities by the Initial Purchaser, before making or distributing any amendment or supplement to the Preliminary Offering Memorandum or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Company and the Guarantors will furnish to the Initial Purchaser and counsel for the Initial Purchaser a copy of the proposed amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed amendment or supplement or file any such document with the Commission to which the Initial Purchaser reasonably objects by notice to the Company after a reasonable period to review; provided, that the Company and the Initial Purchaser agree to negotiate in good faith to resolve any issue raised by the Initial Purchaser in any such notice to the Company so that such proposed amendment or supplement may be distributed or such document may be filed in a timely fashion.

(c) *Notice to the Initial Purchaser.* At any time before the completion of the initial offering of the Securities by the Initial Purchaser, the Company and the Guarantors will advise the Initial Purchaser promptly, and (if requested) confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities as a result of which the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) of the receipt by the Company or any of the Guarantors of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of

any proceeding for such purpose; and the Company and the Guarantors will use their reasonable efforts to prevent the issuance of any such order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, to obtain as soon as possible the withdrawal thereof.

(d) *Ongoing Compliance of the Offering Memorandum.* If at any time prior to the completion of the initial offering of the Securities by the Initial Purchaser, in the reasonable opinion of counsel for the Initial Purchaser or Holdings, (i) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement the Offering Memorandum to comply with applicable law, the Company will promptly notify the Initial Purchaser thereof and promptly prepare and, subject to paragraph (b) above, file with the Commission such amendment or supplement (or document to be filed with the Commission and incorporated by reference in the Offering Memorandum) and furnish to the Initial Purchaser, and to such dealers as the Initial Purchaser may designate, such amendments or supplements to the Offering Memorandum as may be necessary so that the statements in the Offering Memorandum as so amended or supplemented (or including such document to be incorporated by reference therein) will not, in the light of the circumstances under which they were made, be misleading or so that the Offering Memorandum will comply with applicable law.

(e) *Blue Sky Compliance.* The Company and the Guarantors will cooperate with the Initial Purchaser to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Initial Purchaser shall reasonably request and will continue such qualifications in effect so long as reasonably required for the offering and resale of the Securities; provided that neither the Company nor any of the Guarantors shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it is not now so qualified, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(f) *Clear Market.* During the period from the date hereof through and including the date that is 45 days after the date hereof, the Company and each of the Guarantors will not, without the prior written consent of the Initial Purchaser, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Company or any of the Guarantors (other than the Exchange Securities) and having a maturity of more than one year (excluding promissory notes issued in connection with acquisitions not required to be registered under the Securities Act).

(g) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Securities as described in the Offering Memorandum under the heading "Use of Proceeds".

(h) *Supplying Information.* While the Securities remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company and each of the Guarantors will, during any period in which Holdings is not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(i) *DTC.* The Company and the Guarantors will assist the Initial Purchaser in arranging for the Securities to be eligible for clearance and settlement through The Depository Trust Company ("DTC").

(j) *No Resales by the Company and the Guarantors.* Until the issuance of the Exchange Securities, without prior written consent of the Initial Purchaser, the Company and the Guarantors will not, and will not permit any of their respective affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by the Company, the Guarantors or any of their respective affiliates and resold in a transaction registered under the Securities Act.

(k) *No Integration.* None of the Company, the Guarantors or any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(l) *No General Solicitation or Directed Selling Efforts.* None of the Company, the Guarantors or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchaser, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(m) *No Stabilization.* Neither the Company nor any Guarantor will take, directly or indirectly, any action designed to or that is reasonably expected to cause or result in any stabilization or manipulation of the price of the Securities.

(n) *Filing of Exchange Act Documents.* Beginning on the date hereof, through the Closing Date and then thereafter so long as any of the Securities are outstanding, Holdings will file all reports and any definitive proxy or information statements required to be filed by it with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act within the time periods required by the Exchange Act and the rules and regulations of the Commission thereunder.

5. Conditions of Initial Purchaser's Obligations. The obligation of the Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by the Company and each of the Guarantors of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties.* The representations and warranties of the Company and the Guarantors contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the Company, the Guarantors and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade.* Subsequent to the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Securities or any other debt securities or preferred stock issued or guaranteed by the Company or any of the Guarantors by any "nationally recognized statistical rating organization", as such term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by the Company or any of the Guarantors (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change.* Subsequent to the execution and delivery of this Agreement, no event or condition of a type described in Section 3(d) hereof shall have occurred

or shall exist, which event or condition is not described in the Offering Memorandum (excluding any amendment or supplement thereto or any document filed with the Commission after the date hereof and incorporated by reference therein) and the effect of which in the reasonable judgment of the Initial Purchaser makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement and the Offering Memorandum.

(d) *Officer's Certificate.* The Initial Purchaser shall have received on and as of the Closing Date a certificate of an executive officer of the Company and of each Guarantor who has specific knowledge of the Company's or such Guarantor's financial matters and is reasonably satisfactory to the Initial Purchaser (i) confirming that such officer has carefully reviewed the Offering Memorandum and, to the best knowledge of such officer, the representation set forth in Section 3(a) hereof is true and correct, (ii) confirming that the other representations and warranties of the Company and the Guarantors in this Agreement are true and correct and that the Company and the Guarantors have complied with all agreements in all material respects and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (a) through (c) above.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date, KPMG LLP shall have furnished to the Initial Purchaser, at the request of Holdings, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchaser, in form and substance reasonably satisfactory to the Initial Purchaser, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum; provided that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinion of Counsel for the Company and the Guarantors.* Kelley Drye & Warren LLP, counsel for the Company and the Guarantors, and Pamela A. Banks, Vice President, General Counsel and Secretary of Holdings, shall have furnished to the Initial Purchaser, at the request of the Company and the Guarantors, its or her written opinion, dated the Closing Date and addressed to the Initial Purchaser, in form and substance reasonably satisfactory to the Initial Purchaser, to the effect set forth in Annexes B-1 and B-2 hereto, respectively.

(g) *Opinion of Counsel for the Initial Purchaser.* The Initial Purchaser shall have received on and as of the Closing Date an opinion of Davis Polk & Wardwell, counsel for the Initial Purchaser, with respect to such matters as the Initial Purchaser may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(h) *No Legal Impediment to Issuance.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees; and no injunction or order of any federal, state or foreign court of competent jurisdiction shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees.

(i) *Good Standing*. The Initial Purchaser shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Company, the Guarantors, Holdings and the Significant Subsidiaries in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Initial Purchaser may reasonably request, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(j) *Registration Rights Agreement.* The Initial Purchaser shall have received a counterpart of the Registration Rights Agreement that shall have been executed and delivered by a duly authorized officer of the Company and each of the Guarantors.

(k) *DTC.* The Securities shall be eligible for clearance and settlement through DTC.

(l) *Additional Documents.* On or prior to the Closing Date, the Company and the Guarantors shall have furnished to the Initial Purchaser such further certificates and documents as the Initial Purchaser may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchaser.

6. Indemnification and Contribution.

(a) *Indemnification of the Initial Purchaser.* The Company and each of the Guarantors jointly and severally agree to indemnify and hold harmless the Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum, or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that (i) neither the Company nor any Guarantor shall be liable in any such case to the extent that such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Initial Purchaser furnished to Holdings or the Company in writing by the Initial Purchaser expressly for use therein and (ii) that with respect to any such untrue statement in or omission from or alleged untrue statement in or omission from the Preliminary Offering Memorandum, the indemnity agreement contained in this paragraph (a) shall not inure to the benefit of the Initial Purchaser to the extent that the sale to the person asserting any such loss, claim, damage or liability was an initial resale by the Initial Purchaser and any such loss, claim, damage or liability of or with respect to the Initial Purchaser results from the fact that both (A) a copy of the Offering Memorandum (excluding any documents incorporated by reference therein) was not sent or given to such person at or prior to the written confirmation of the sale of such Securities to such person and (B) the untrue statement in or omission from such Preliminary Offering Memorandum was corrected in the Offering Memorandum unless, in either case, such failure to deliver the Offering Memorandum was a result of non-compliance by the Company and the Guarantors with the provisions of Section 4 hereof.

(b) *Indemnification of the Company and the Guarantors.* The Initial Purchaser agrees to indemnify and hold harmless the Company, each of the Guarantors, their respective affiliates, each of their directors and officers, and each person, if any, who controls the Company or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Initial Purchaser furnished to the Company or any Guarantor in writing by the Initial Purchaser expressly for use in the Preliminary Offering Memorandum and the Offering Memorandum, it being understood and agreed that the only such information consists of the statements set forth in the Preliminary Offering Memorandum and the Offering Memorandum (i) in the last paragraph of the cover page and (ii) under the heading "Plan

of Distribution", (A) the 4th and 5th sentences of the 9th paragraph (which paragraph begins with the words "The notes are a new issue of securities,"), (B) the 6th sentence of the 9th paragraph, except to the extent that the 6th sentence expresses any opinion or conclusion of law and (C) the 10th and 11th paragraphs (which paragraphs begin with the words "In connection with the offering of the notes" and "J.P. Morgan Securities Inc.", respectively).

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 6. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 6 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for the Initial Purchaser, its affiliates, directors and officers and any control persons of the Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc. and any such separate firm for the Company, the Guarantors and any directors, officers and control persons of the Company and any of the Guarantors shall be designated in writing by Holdings. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have (A) reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement or (B) delivered notice to the Indemnified Person of its good faith objection to such claim of indemnification within thirty (30) days after receipt by such Indemnifying Person of such request. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement in any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of

such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchaser on the other hand from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Initial Purchaser on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchaser on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the

Securities and the total discounts and commissions received by the Initial Purchaser in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Company and the Guarantors on the one hand and the Initial Purchaser on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or any Guarantor or by the Initial Purchaser and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company, the Guarantors and the Initial Purchaser agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 6, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased by it and resold exceeds the amount of any damages that the Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 6 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

7. Termination. This Agreement may be terminated in the absolute discretion of the Initial Purchaser, by notice to the Company and the Guarantors, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange, the American Stock Exchange or the Nasdaq Market; (ii) trading of any securities issued or guaranteed by the Company or any of the Guarantors shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Initial Purchaser, is material and adverse and makes it

impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement and the Offering Memorandum.

8. Payment of Expenses. (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company and each of the Guarantors jointly and severally agree to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum and the Offering Memorandum and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's and the Guarantors' counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Initial Purchaser may reasonably designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees (not to exceed $10,000), but not expenses of counsel for the Initial Purchaser in connection therewith); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by DTC; and (ix) all expenses incurred by the Company and the Guarantors in connection with any "road show" presentation to potential investors.

(b) If (i) this Agreement is terminated pursuant to Section 7, (ii) the Company for any reason fails to tender the Securities for delivery to the Initial Purchaser or (iii) the Initial Purchaser declines to purchase the Securities for any reason permitted under this Agreement, then the Company and each of the Guarantors jointly and severally agree to reimburse the Initial Purchaser for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Initial Purchaser in connection with this Agreement and the offering contemplated hereby.

9. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of the Initial Purchaser, each Guarantor or the Company referred to in Section 6 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from the Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

10. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company, the Guarantors and the Initial Purchaser contained in this Agreement or made by or on behalf of the Company, the Guarantors or the Initial Purchaser pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company, the Guarantors or the Initial Purchaser.

11. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended; (d) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; and (e) the term "significant subsidiary" has the meaning set forth in Rule 1-02 of Regulation S-X under the Exchange Act.

12. Miscellaneous. (a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchaser shall be given c/o J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017 (fax: 212-834-6081); Attention: High-Grade Syndicate Desk—8th Floor. Notices to the Company and the Guarantors shall be given to them at Ethan Allen Drive, Danbury, Connecticut 06811, (fax: (203) 743-8254); Attention: Pamela A. Banks, Vice President, General Counsel and Secretary.

(b) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(d) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(e) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

[The remainder of this page is intentionally blank.]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

ETHAN ALLEN GLOBAL, INC.

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN INTERIORS INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN OPERATIONS, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN REALTY, LLC,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: President &
Chief Executive Officer

ETHAN ALLEN RETAIL, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

LAKE AVENUE ASSOCIATES, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

MANOR HOUSE, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

Accepted: September 22, 2005

J.P. MORGAN SECURITIES INC.

As Initial Purchaser

By: /s/ Robert Bottamedi
Robert Bottamedi

Schedule 1

Parent Guarantor

Ethan Allen Interiors Inc.

Subsidiary Guarantors

Ethan Allen Operations, Inc.
Ethan Allen Realty, LLC
Ethan Allen Retail, Inc.
Lake Avenue Associates, Inc.
Manor House, Inc.

Schedule 2

Significant Subsidiaries

Ethan Allen Operations, Inc.
Ethan Allen Retail, Inc.

ANNEX A

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) The Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(b) The Initial Purchaser represents, warrants and agrees that:

(i) The Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S under the Securities Act ("Regulation S") or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of the Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, the Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchase Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(iv) The Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Company.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) The Initial Purchaser represents, warrants and agrees that:

(i) it has not offered or sold and prior to the date six months after the Closing Date will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the

public in the United Kingdom within the meaning of the United Kingdom Public Offers of Securities Regulations 1995 (as amended);

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Company or the Guarantors; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

(d) The Initial Purchaser acknowledges that no action has been or will be taken by the Company and the Guarantors that would permit a public offering of the Securities, or possession or distribution of the Preliminary Offering Memorandum, the Offering Memorandum or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

(e) In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Initial Purchaser represents, warrants and agrees that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of the notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the notes to the public in that Relevant Member State at any time:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than €43,000,000 and (C) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(iii) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Annex B-1

[Form of Opinion of Kelley Drye & Warren LLP, Counsel for the Company and the Guarantors]

(a) The Company has been duly organized under the laws of its jurisdiction of organization, and each of the Company, Holdings and each of the Significant Subsidiaries are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all corporate power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or have such power or authority would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The Company and the Guarantors have the full corporate right, power and authority to execute and deliver each of the Transaction Documents to which each is a party and to perform their respective obligations thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents by the Company and each of the Guarantors that is a party thereto and the consummation of the transactions contemplated thereby to be consummated by it has been duly and validly taken.

(c) The Indenture has been duly authorized, executed and delivered by the Company and each of the Guarantors and, assuming due execution and delivery thereof by the Trustee, constitutes a valid and legally binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, subject to the Enforceability Exceptions; and the Indenture conforms in all material respects with the requirements of the Trust Indenture Act and the rules and regulations of the Commission applicable to an indenture that is qualified thereunder.

(d) The Securities have been duly authorized by the Company and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for by the Initial Purchaser as provided in this Agreement, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture; and the Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be valid and legally binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(e) The Exchange Securities (including the related guarantees) have been duly authorized by the Company and each of the Guarantors and, when duly executed, authenticated, issued and delivered as contemplated by the Registration Rights Agreement, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(f) This Agreement has been duly authorized, executed and delivered by the Company and each of the Guarantors and the Registration Rights Agreement has been duly authorized, executed and delivered by the Company and each of the Guarantors, and, when duly executed and delivered by the other parties thereto, will constitute a valid and legally binding

agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, subject to the Enforceability Exceptions, and except that rights to indemnity and contribution thereunder may be limited by applicable law and public policy.

(g) Each Transaction Document conforms in all material respects to the description thereof contained in the Preliminary Offering Memorandum and the Offering Memorandum.

(h) No consent, approval, authorization, order, registration or qualification of or with any governmental or regulatory authority or, to the knowledge of such counsel, any court or arbitrator is required for the execution, delivery and performance by the Company and each of the Guarantors of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by the Company and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents to be consummated by it, except for such consents, approvals, authorizations, orders and registrations or qualifications as may be required (i) under applicable state securities laws in connection with the purchase and resale of the Securities by the Initial Purchaser and (ii) with respect to the Exchange Securities (including the related guarantees) under the Securities Act and applicable state securities laws as contemplated by the Registration Rights Agreement.

(i) The statements in the Offering Memorandum under the headings "Taxation", "Business", "Description of Notes" and "Plan of Distribution", in each case insofar as they constitute summary descriptions of statutes, legal, governmental and regulatory proceedings or other matters of law or regulation or legal conclusions, are accurate in all material respects and fairly summarize the matters described therein in all material respects.

(j) The documents incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum (other than the financial statements and related notes and schedules thereto and other financial information contained or incorporated by reference therein, as to which such counsel need express no opinion), when filed with the Commission, complied as to form in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder.

(k) None of the Company, Holdings or any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act.

(l) Assuming the accuracy of the representations, warranties and agreements of the Company, the Guarantors and the Initial Purchaser contained in this Agreement, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchaser and the resale of the Securities by the Initial Purchaser in the manner contemplated by this Agreement and the Offering Memorandum, to register the Securities or the Guarantees under the Securities Act or to qualify the Indenture under the Trust Indenture Act.

Such counsel shall also state that they have participated in conferences with representatives of the Company and the Guarantors and with representatives of their independent accountants and representatives of the Initial Purchaser and its counsel at which conferences the contents of the Preliminary Offering Memorandum and the Offering Memorandum and any amendment and supplement thereto and related matters were discussed and, although such counsel assumes no responsibility for the accuracy, completeness or fairness of the Preliminary Offering Memorandum or the Offering Memorandum or any amendment or supplement thereto or any document incorporated by reference therein (except as expressly

provided above), nothing has come to the attention of such counsel to cause such counsel to believe that the Preliminary Offering Memorandum, as of its date, contained any untrue statement of a material fact or omitted to state a material fact or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Offering Memorandum, as of its date and the Closing Date, contained or contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than, in each case, the financial statements and related notes and schedules thereto and other financial information contained or incorporated by reference therein, as to which such counsel need express no opinion).

In rendering such opinion, such counsel may rely (A) as to matters of fact on certificates of responsible officers of the Company and the Guarantors and public officials that are furnished to the Initial Purchaser and (B) as to matters involving the application of laws other than the laws of the United States and the States of New York and Connecticut and the General Corporation Law of the State of Delaware, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to counsel to the Initial Purchaser) of other counsel reasonably acceptable to counsel to the Initial Purchaser, familiar with the applicable laws. With respect to the matters to be covered in subparagraph (h) above counsel may state that their opinion and belief is based upon their participation in the preparation of the Preliminary Offering Memorandum and the Offering Memorandum and any document incorporated by reference therein and review and discussion of the contents thereof but is without independent check or verification except as specified.

The opinion of Kelley Drye & Warren LLP described above shall be rendered to the Initial Purchaser at the request of the Company and the Guarantors and shall so state therein.

Annex B-2

[Form of Opinion of Pamela A. Banks, Vice President, General Counsel and Secretary of Holdings]

(a) The Company, Holdings and each of the Significant Subsidiaries have been duly organized under the laws of their respective jurisdictions of incorporation.

(b) Holdings has an authorized capitalization as set forth in the Offering Memorandum under the heading "Capitalization"; and all the outstanding shares of capital stock of the Company and each Significant Subsidiary have been duly and validly authorized and issued, assuming all consideration therefor was received by the Company, are fully paid and non-assessable and are owned of record by Holdings free and clear of any lien, charge, encumbrance, security interest, and restriction on voting or transfer or, to the knowledge of counsel, any other claim of any third party.

(c) The execution, delivery and performance by the Company and each of the Guarantors of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by the Company and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents to be consummated by it will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, Holdings or any of the Significant Subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, Holdings or any of the Significant Subsidiaries is a party or by which the Company, any of the Guarantors, Holdings or any of the Significant Subsidiaries is bound or to which any of the property or assets of the Company, Holdings or any of the Significant Subsidiaries is subject, except, in any such case, for any such conflict, breach or violation that would not, individually or in the aggregate, have a Material Adverse Effect, (ii) result in any violation of the provisions of the charter, by-laws or similar organizational documents of the Company, Holdings or any of the Significant Subsidiaries or (iii) to the knowledge of such counsel, result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except as would not, individually or in the aggregate, have a Material Adverse Effect.

(d) To the knowledge of such counsel, except as described in the Preliminary Offering Memorandum and the Offering Memorandum, (i) there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company, Holdings or any of the Significant Subsidiaries is or may be a party or to which any property of the Company, Holdings or any of the Significant Subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company, Holdings or any of the Significant Subsidiaries, is reasonably expected to have a Material Adverse Effect and (ii) no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or threatened by others.

(e) The Company, Holdings and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the Preliminary Offering Memorandum and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in the Preliminary Offering Memorandum and the Offering Memorandum, none of the Company, Holdings or any of its subsidiaries has received notice of any revocation or modification of any such license,

certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, if in any such case, such revocation, modification or non-renewal would individually or in the aggregate have a Material Adverse Effect.

Such counsel shall also state that she has participated in conferences with representatives of the Company and the Guarantors and with representatives of their independent accountants and representatives of the Initial Purchaser and its counsel at which conferences the contents of the Preliminary Offering Memorandum and the Offering Memorandum and any amendment and supplement thereto and related matters were discussed and, although such counsel assumes no responsibility for the accuracy, completeness or fairness of the Preliminary Offering Memorandum or the Offering Memorandum or any amendment or supplement thereto or any document incorporated by reference therein (except as expressly provided above), nothing has come to her attention to cause her to believe that the Preliminary Offering Memorandum, as of its date, contained any untrue statement of a material fact or omitted to state a material fact or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Offering Memorandum, as of its date and the Closing Date, contained or contains any untrue statement of a material fact or omits to state a material fact necessary to make the

statements therein, in the light of the circumstances under which they were made, not misleading (other than, in each case, the financial statements and related notes and schedules thereto and other financial information contained or incorporated by reference therein, as to which such counsel need express no opinion).

In rendering such opinion, such counsel may rely (A) as to matters of fact on certificates of responsible officers of the Company and the Guarantors and public officials that are furnished to the Initial Purchaser and (B) as to matters involving the application of laws other than the laws of the United States and the State of Connecticut and the General Corporation Law of the State of Delaware, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to counsel to the Initial Purchaser) of other counsel reasonably acceptable to counsel to the Initial Purchaser, familiar with the applicable laws.

The opinions of General Counsel described above shall be rendered to the Initial Purchaser at the request of the Company and the Guarantors and shall so state therein.

Exhibit A

FORM OF REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT dated September 27, 2005 (this "Agreement") by and among Ethan Allen Global, Inc., a Delaware corporation (the "Company"), Ethan Allen Interiors Inc. ("Holdings"), the several Subsidiary Guarantors listed in Schedule 1 hereto (collectively with Holdings, the "Guarantors", and each, a "Guarantor"), and J.P. Morgan Securities Inc. (the "Initial Purchaser").

The Company, the Guarantors and the Initial Purchaser are parties to the Purchase Agreement dated September 22, 2005 (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchaser of $200,000,000 aggregate principal amount of the Company's 5.375% Senior Notes due 2015 (the "Securities"), which will be guaranteed on an unsecured senior basis by each of the Guarantors. As an inducement to the Initial Purchaser to enter into the Purchase Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchaser and their direct and indirect transferees the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. *Definitions*. As used in this Agreement, the following terms shall have the following meanings:

"affiliate" shall have the meaning given to it in Rule 405 under the Securities Act.

"Agreement" shall have the meaning set forth in the preamble.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Closing Date" shall mean the Closing Date as defined in the Purchase Agreement.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors and assigns.

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

"Exchange Dates" shall have the meaning set forth in Section 2(a)(ii) hereof.

"Exchange Offer" shall mean the exchange offer by the Company and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein, all exhibits thereto and any document incorporated by reference therein.

"Exchange Securities" shall mean senior notes issued by the Company and guaranteed by the Guarantors under the Indenture containing terms identical in all material respects to the

Securities (except that the Exchange Securities will not be subject to restrictions on transfer or to any increase in annual interest rate for failure to comply with this Agreement) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"Guarantor" and "Guarantors" shall have the meaning set forth in the preamble and shall also include any Guarantor's successors and assigns.

"Holders" shall mean the Initial Purchaser, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect transferees who become owners of Registrable Securities under the Indenture; *provided*, that for purposes of Sections 4 and 5 hereof, the term "Holders" shall include Participating Broker-Dealers.

"Holdings" shall have the meaning set forth in the preamble and shall also include Holdings' successors and assigns.

"Initial Purchaser" shall have the meaning set forth in the preamble.

"Indemnified Person" shall have the meaning set forth in Section 5(c) hereof.

"Indemnifying Person" shall have the meaning set forth in Section 5(c) hereof.

"Indenture" shall mean the Indenture relating to the Securities dated as of September 27, 2005 among the Company, the Guarantors and U.S. Bank National Association, as trustee, and as the same may be amended, waived or supplemented from time to time in accordance with the terms thereof.

"Inspector" shall have the meaning set forth in Section 3(m) hereof.

"Majority Holders" shall mean the Holders of over 50% of the aggregate principal amount of the then outstanding Registrable Securities; *provided*, that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities owned directly or indirectly by Holdings or any of its affiliates (other than subsequent Holders if such subsequent Holders are deemed to be affiliates solely by reason of their holding of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount.

"Participating Broker-Dealer" shall have the meaning set forth in Section 4(a) hereof.

"Person" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including any document incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities; *provided*, that the Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Securities has been declared effective under the Securities Act and such Securities have been registered, exchanged or disposed of pursuant to such Registration Statement, (ii) when such Securities are eligible to be transferred or sold pursuant to Rule 144(k) (or any similar provision

then in force, but not Rule 144A) under the Securities Act or (iii) when such Securities cease to be outstanding.

"Registration Default" shall have the meaning set forth in Section 2(e) hereof.

"Registration Expenses" shall mean any and all reasonable expenses incident to performance or compliance by the Company and the Guarantors of or with this Agreement, including, without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. registration and filing fees; (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements (not to exceed $10,000) of counsel for any Underwriters or Holders in connection with blue sky qualification of any Exchange Securities or Registrable Securities); (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus and any amendments or supplements thereto, any underwriting agreements, securities sales agreements or other similar agreements and any other documents relating to the performance of and compliance with this Agreement; (iv) all rating agency fees; (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws; (vi) the fees and disbursements of the Trustee and its counsel; (vii) the fees and disbursements of counsel for the Company and the Guarantors and, in the case of a Shelf Registration Statement, the reasonable fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel for the Initial Purchaser); and (viii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or "comfort" letters required by or incident to the performance of and compliance with this Agreement, but excluding fees and expenses of counsel to the Underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"Registration Statement" shall mean any registration statement of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and any document incorporated by reference therein.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities" shall have the meaning set forth in the preamble.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Shelf Effectiveness Period" shall have the meaning set forth in Section 2(b) hereof.

"Shelf Registration" shall mean a registration effected pursuant to Section 2(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company and the Guarantors that covers all the Registrable Securities (but no other securities unless approved by the Holders whose Registrable Securities are to be covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and any document incorporated by reference therein.

"Staff" shall mean the staff of the SEC.

"Subsidiary Guarantors" shall have the meaning set forth in the preamble and shall also include any Subsidiary Guarantor's successors.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended from time to time.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"Underwriter" shall have the meaning set forth in Section 3 hereof.

"Underwritten Offering" shall mean an offering in which Registrable Securities are sold to an Underwriter for reoffering to the public.

Whenever required by the context hereof, all pronouns and any variations thereof will be deemed to refer to the masculine, feminine and neuter, singular and plural.

2. *Registration Under the Securities Act*. (a) *Exchange Registration.* To the extent not prohibited by any applicable law, rule, regulation or order or interpretation of the Staff, the Company and the Guarantors shall use their commercially reasonable efforts to (i) cause to be filed an Exchange Offer Registration Statement covering an offer to the Holders who are not prohibited by any applicable law, rule, regulation or order or interpretation of the Staff from participating in the Exchange Offer to exchange all the Registrable Securities for Exchange Securities and (ii) have such Registration Statement remain effective until 180 days after the closing of the Exchange Offer. The Company and the Guarantors shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement is declared effective by the SEC and use their commercially reasonable efforts to complete the Exchange Offer not later than 60 days after such effective date.

The Company and the Guarantors shall commence the Exchange Offer by mailing the related Prospectus, appropriate letters of transmittal and other accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law, rule, regulation or order, substantially the following:

(i) that the Exchange Offer is being made pursuant to this Agreement and that all Registrable Securities validly tendered and not properly withdrawn will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 Business Days from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest but will not retain any rights under this Agreement;

(iv) that any Holder electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Security, together with the appropriate letters of transmittal, to the institution and at the address (located in the Borough of Manhattan, The City of New York) and in the manner specified in the notice, prior to the close of business on the last Exchange Date; and

(v) that any Holder will be entitled to withdraw its election, not later than the close of business on the last Exchange Date, by sending to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Securities exchanged.

As a condition to participating in the Exchange Offer, a Holder will be required to represent to the Company and the Guarantors that (i) any Exchange Securities to be received by it are being acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any Person to participate in, and is not engaged in and does not intend to engage in, the distribution (within the meaning of the Securities Act) of the Exchange Securities in violation of the provisions of the Securities Act, (iii) it is not an affiliate of the Company or any Guarantor (or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable) and (iv) if such Holder is a broker-dealer, it is receiving Exchange Securities for its own account in exchange for Registrable Securities that were acquired as a result of market-making activities or other trading activities and it will deliver a Prospectus in connection with any resale of such Exchange Securities pursuant to Section 4 hereof.

As soon as practicable after the last Exchange Date, the Company and the Guarantors shall:

(i) accept for exchange Registrable Securities or portions thereof validly tendered and not properly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and deliver to each Holder, Exchange Securities equal in principal amount to the principal amount of the Registrable Securities surrendered by such Holder.

The Company and the Guarantors shall use their commercially reasonable efforts to complete the Exchange Offer as provided above and shall comply in all material respects with the applicable requirements of the Securities Act and other applicable laws, rules, regulations or orders in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate any applicable law, rule, regulation or order or interpretation of the Staff.

(b) *Shelf Registration Statement.* In the event that (i) the Company and the Guarantors determine that the Exchange Offer Registration provided for in Section 2(a) hereof is not available or may not be completed as soon as practicable after the last Exchange Date because it would violate any applicable law, rule, regulation or order or interpretation of the Staff, (ii) the Exchange Offer is not for any other reason completed by March 27, 2006 or (iii) upon completion of the Exchange Offer, and upon the request of the Initial Purchaser, with respect to the Securities not eligible to be exchanged for Exchange Securities in the Exchange Offer and held by such Initial Purchaser following consummation of the Exchange Offer, the Company and the Guarantors shall use their commercially reasonable efforts to (x) cause to be filed as soon as practicable after such determination, date or request, as the case may be, a Shelf Registration Statement providing for the sale of all the Registrable Securities by the Holders thereof and (y) have such Shelf Registration Statement declared effective by the SEC as promptly as practicable after it is filed.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to clause (iii) of the preceding sentence, the Company and the Guarantors shall use their commercially reasonable efforts to file and have declared effective by the SEC both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Securities held by the Initial Purchaser after completion of the Exchange Offer.

The Company and the Guarantors agree to use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the expiration of the period referred to in Rule 144(k) (or any similar rule then in force, but not Rule 144A) under the Securities Act with respect to the Registrable Securities or such shorter period that will terminate when all the Registrable Securities covered by the Shelf Registration Statement (i) have been sold pursuant to the Shelf Registration Statement or (ii) are no longer restricted securities, as defined in Rule 144 under the Securities Act or any successor rule thereof (the foregoing, the "Shelf Effectiveness Period"). The Company and the Guarantors further agree to supplement or amend the Shelf Registration Statement and the related Prospectus, if required by the rules, regulations or instructions applicable to the registration form used by the Company and the Guarantors for such Shelf Registration Statement or by the Securities Act or by any other rules and regulations thereunder for shelf registration or if reasonably requested by the Initial Purchaser or by the Trustee on behalf of the Holders of the Registrable Securities covered by such Shelf Registration Statement with respect to information relating to such Holders, and to use their commercially reasonable efforts to cause any such amendment to become effective and such Shelf Registration Statement and Prospectus to become usable as soon as thereafter practicable. The Company and the Guarantors agree to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) *Expenses.* The Company and the Guarantors shall pay all Registration Expenses in connection with the registration pursuant to Sections 2(a) and 2(b) hereof. Each Holder shall pay all underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) *Effectiveness of Registration Statement.* An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC.

(e) *Registration Defaults.* In the event that either the Exchange Offer is not completed or the Shelf Registration Statement, if required hereby, is not declared effective on or prior to the earlier of (x) March 27, 2006 and (y) 90 days after request by an Initial Purchaser as described in Section 2(b) hereof (the foregoing, a "Registration Default"), the interest rate on the Registrable Securities will be increased by 0.50% per annum for the first 90-day period immediately following the occurrence of such Registration Default and an additional 0.50% per annum (for a total additional rate of 1.00% per annum) following such 90-day period immediately following the occurrence of such Registration Default, in any case until the Exchange Offer is completed or the Shelf Registration Statement, if required hereby, is declared effective by the SEC or the Securities become freely tradable under the Securities Act. Such additional interest rate shall not increase beyond 0.50% per annum during the initial 90-day period or 1.00% per annum after the initial 90-day period in the case of concurrent Registration Defaults during any such period. If the Shelf Registration Statement, if required hereby, has been declared effective and thereafter either ceases to be effective or the Prospectus contained therein ceases to be usable at any time during the Shelf Effectiveness Period, and such failure to remain effective or usable exists for more than 30 days (whether or not consecutive) in any 12-month period, then the interest rate on the Registrable Securities will be increased by 1.00% per annum commencing on the 31st day in such 12-month period and ending on such date that the Shelf Registration Statement has again been declared effective or the Prospectus again becomes usable.

(f) *Remedies.* Without limiting the remedies available to the Initial Purchaser and the Holders, the Company and the Guarantors acknowledge that any failure by the Company or the Guarantors to comply with their obligations under Sections 2(a) and 2(b) hereof may result in material irreparable injury to the Initial Purchaser or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and

that, in the event of any such failure, the Initial Purchaser or any Holder may obtain such equitable relief as may be required to specifically enforce the Company's and the Guarantors' obligations under Sections 2(a) and 2(b) hereof. The liquidated damages set forth above and equitable relief in Section 2(f) hereof shall be the exclusive remedy

available to the Holders for each failure by Holdings, the Company or the Guarantors to comply with Sections 2(a) and 2(b) hereof.

3. *Registration Procedures*. In connection with their obligations pursuant to Section 2(a), to the extent applicable, and Section 2(b) hereof, the Company and the Guarantors shall promptly:

(a) prepare and file with the SEC a Registration Statement on the appropriate form under the Securities Act, which form (x) shall be selected by Holdings, (y) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders contemplated by Section 2(b) hereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith; and use their commercially reasonable efforts to cause such Registration Statement to become effective and remain effective for the applicable period in accordance with Section 2 hereof; *except,* that, notwithstanding the foregoing, Holdings may suspend the effectiveness of the Shelf Registration Statement (or the use of the related Prospectus) by written notice to the Holders in accordance with this Section 3 hereof.

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period in accordance with Section 2 hereof and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act; and keep each Prospectus current during the period described in Section 4(3) of and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchaser, to counsel for such Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto, as may be reasonably requested during the Shelf Effectiveness Period, in order to facilitate the sale or other disposition of the Registrable Securities thereunder; and the Company and the Guarantors consent to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law, rules, regulations and orders by each of the selling Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus or any amendment or supplement thereto in accordance with applicable law, rules, regulations and orders;

(d) use commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions in the United States as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing within a reasonable time before the applicable Registration Statement is expected to be declared effective by the SEC; cooperate with such Holders in connection with any filings required to be made with the National Association of Securities Dealers, Inc.; and do any and all other acts and things that may be reasonably necessary or advisable to enable each Holder to offer and sell in each such jurisdiction the Registrable Securities owned by such Holder; *provided*, that neither the Company nor any Guarantor shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general

consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not so subject;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Securities, counsel for such Holders and counsel for the Initial Purchaser promptly and, if requested by any such Holder or counsel, confirm such advice in writing (i) when a Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective, (ii) of any request by the SEC or any state securities authority for amendments or supplements to a Registration Statement or Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company or any Guarantor contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to an offering of such Registrable Securities cease to be true and correct in all material respects or if the Company or any Guarantor receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (v) of the happening of any event during the period a Shelf Registration Statement is effective that requires the Company to make changes in the Registration Statement or the related Prospectus in order to ensure that the Registration Statement or the related Prospectus does not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (vi) of any determination by the Company or any Guarantor that a post-effective amendment to a Registration Statement would be appropriate and (vi) of any determination by Holdings or the Company, in the exercise of their reasonable judgment, that (A) it is not in the best interests of Holdings or the Company to disclose a possible acquisition or business combination or other transaction, business development or event involving the Company or the Guarantors that may require disclosure in the Shelf Registration Statement, or if required to be kept effective after consummation of the Exchange Offer, the Exchange Offer Registration Statement, or (B) obtaining any financial statements relating to an acquisition or business combination required to be included in the Shelf Registration Statement, or if required to be kept effective after consummation of the Exchange Offer, the Exchange Offer Registration Statement, would be impracticable;

(f) use their commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest practicable moment and provide prompt notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities included within the Shelf Registration, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without any documents incorporated therein by reference or exhibits thereto, unless requested);

(h) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be issued in such denominations and registered in such names (consistent with the provisions of the Indenture) as the selling Holders may reasonably request at least one Business Day prior to the closing of any sale of Registrable Securities;

(i) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(e)(v) hereof, use their commercially reasonable efforts to prepare and file with the SEC a post-effective amendment to such Registration Statement or supplement to the related Prospectus or any document incorporated therein by reference or file any other

required document so that, as thereafter delivered to purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and shall notify the Holders of Registrable Securities to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event (and such Holders hereby agree to suspend use of the Prospectus until the Company and the Guarantors have amended the Registration Statement or supplemented the Prospectus to correct such misstatement or omission);

(j) at least five Business Days prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or of any document that is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial Purchaser and their counsel (and, in the case of a Shelf Registration Statement, to the Holders of Registrable Securities and their counsel) and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Initial Purchaser or their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) available for discussion of such document for a period of at least five Business Days and shall include such information in such document prior to the filing thereof as the Initial Purchaser, the Holders, any Participating Broker-Dealers or their respective counsel reasonably may request within such five Business Day period, *provided*, *however*, that (x) the information gathering contemplated by this paragraph shall be coordinated by one counsel chosen by the Initial Purchaser and (y) each Person receiving any information identified by the Company or any Guarantor as being confidential or proprietary shall take such actions as are reasonably necessary to protect the confidentiality of such information;

(k) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement;

(l) cause the Indenture to be qualified under the Trust Indenture Act in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be; cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and execute, and use their commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(m) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of the Registrable Securities (an "Inspector"), any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and attorneys and accountants designated by the Holders, at reasonable times and in a reasonable manner, all pertinent financial and other records, documents and properties of the Company and the Guarantors, and cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested by any such Inspector, Underwriter, attorney or accountant in connection with a Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such Persons to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; *provided*, that neither the Company nor any of the Guarantors shall have any obligation to deliver any information identified by Holdings or the Company as confidential and proprietary pursuant to this Section 3(m) unless the Inspector, Underwriter, attorney or accountant, as the case may be, shall have, if reasonably requested by Holdings, executed and delivered a confidentiality agreement in a form reasonably acceptable to Holdings or the Company relating to such information;

(n) in the case of a Shelf Registration, use their reasonable efforts to cause all Registrable Securities to be listed or quoted on any securities exchange or any automated quotation system on which similar securities issued or guaranteed by the Company or Holdings

are then listed or quoted, if requested by the Majority Holders, to the extent such Registrable Securities satisfy applicable listing or quotation requirements;

(o) if reasonably requested by any Holder of Registrable Securities covered by a Registration Statement, include in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable; and

(p) in the case of a Shelf Registration, enter into such customary agreements (including, if requested, an underwriting agreement in customary form with an underwriter or underwriters reasonably acceptable to Holdings) and take all such other commercially reasonable actions in connection therewith (including those requested by the Holders of a majority in principal amount of the Registrable Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities including, but not limited to, an Underwritten Offering and in such connection, (i) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of Holdings and its subsidiaries, the Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (ii) obtain opinions of counsel to Holdings and its subsidiaries (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Holders and such Underwriters and their respective counsel) addressed to each selling Holder and the Underwriters, if any, of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings, (iii) obtain "comfort" letters from the independent certified public accountants of Holdings (and, if necessary, any other certified public accountant of any subsidiary of Holdings, or of any business acquired by Holdings for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder and Underwriter of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "comfort" letters in connection with underwritten offerings, subject to receipt of appropriate documentation as contemplated by Statement of Auditing Standards No. 72 and (iv) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of Holdings or any Guarantor made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in an underwriting agreement.

In the case of a Shelf Registration Statement, the Company and the Guarantors may require each Holder of Registrable Securities to furnish to the Company and the Guarantors such information regarding such Holder and the proposed disposition by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing for inclusion in the Shelf Registration Statement, and Holdings may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request. Any sale of any Registrable Securities by any Holder shall constitute a representation and warranty by such Holder that the information relating to such Holder and its plan of distribution is as set forth in the Prospectus delivered by such Holder in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of a material fact relating to or provided by such Holder or its plan of distribution and that such Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by such Holder or its plan of distribution necessary to make the statements in such Prospectus, in the light of the circumstances under which they were made, not misleading.

In the case of a Shelf Registration Statement, each Holder of Registrable Securities agrees that, upon receipt of any notice from Holdings or the Company of the happening of any

event of the kind described in Section 3(e)(ii) through 3(e)(vii) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(i) hereof, as applicable, and, if so directed by Holdings or the Company, such Holder will deliver to the Company all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities that is current at the time of receipt of such notice.

If Holdings or the Company shall give any such notice to suspend the disposition of Registrable Securities pursuant to a Registration Statement, Holdings or the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders of such Registrable Securities shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. Holdings or the Company may give any such notice only twice during any 365-day period and any such suspension shall not exceed 30 days for each suspension (or 45 days if such suspension is based upon the happening of an event described in Section 3(e)(v) or 3(e)(vii)) and there shall not be more than two suspensions in effect during any 365-day period.

The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment bank or investment banks and manager or managers (each, an "Underwriter") that will administer the offering will be selected by the Holders of a majority in principal amount of the Registrable Securities included in such offering. Notwithstanding the foregoing, no Person may participate in any Underwritten Offering hereunder unless such Person (i) agrees to sell such Person's Registrable Securities on the basis reasonably provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

4. *Participation of Broker-Dealers in Exchange Offer*. (a) The Staff has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Registrable Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Securities.

The Company and the Guarantors understand that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligation under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

(b) In light of the above, and notwithstanding the other provisions of this Agreement, the Company and the Guarantors agree to use commercially reasonable efforts to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement, as would otherwise be contemplated by Section 3(i), for a period of up to 180 days after the last Exchange Date (as such period may be extended pursuant to the second to last paragraph of Section 3 hereof), if requested by the Initial Purchaser or by one or more Participating Broker-Dealers, in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) hereof. The Company

and the Guarantors further agree that Participating Broker-Dealers shall be authorized to deliver such Prospectus during such period in connection with the resales contemplated by this Section 4.

(c) The Initial Purchaser, in its capacity as such, shall have no liability to the Company, any Guarantor or any Holder with respect to any request that they may make pursuant to Section 4(b) hereof.

5. *Indemnification and Contribution*. (a) The Company and each of the Guarantors, jointly and severally, agree to indemnify and hold harmless each Initial Purchaser and each Holder, their respective affiliates, directors and officers, and each Person, if any, who controls the Initial Purchaser or any Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any Prospectus or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided*, that: (i) neither the Company nor any Guarantor shall be liable in any such case to the extent that such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with information relating to such Holder and furnished to Holdings or the Company in writing by or on behalf of such Holder expressly for use therein; and (ii) with respect to any such untrue statement or omission or alleged untrue statement or omission from any preliminary Prospectus contained in the Shelf Registration Statement, the indemnity agreement contained in this Section 5(a) shall not inure to the benefit of any indemnified Holder or Participating Broker-Dealer to the extent that any such loss, claim, damage or liability of or with respect to such indemnified Holder or Participating Broker-Dealer to any Person results from the fact that both (1) a copy of the final prospectus contained in the Shelf Registration Statement (excluding any documents incorporated by reference therein) was not sent or given to such Person, at or prior to the written confirmation of the sale of such Registrable Securities to such Person, and (2) the untrue statement in or omission from such preliminary Prospectus contained in the Shelf Registration Statement was corrected in such final Prospectus unless, in either case, such failure to deliver the final prospectus contained in the Shelf Registration Statement was a result of non-compliance by the Company and the Guarantors with the provisions of Section 3 hereof. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors, jointly and severally, will also indemnify the Underwriters, if any, Participating Broker-Dealers, their respective affiliates and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each of the Guarantors, the Initial Purchaser and the other selling Holders, their respective affiliates, each of their directors and officers, and each Person, if any, who controls the Company, the Guarantors, the Initial Purchaser and any other selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Holder furnished to the Company or any Guarantor in writing by such Holder expressly for use in any Registration Statement and any Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such Person (the "Indemnified Person") shall promptly notify the Person against whom such indemnification may be sought (the "Indemnifying Person") in writing; *provided*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 5 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 5. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 5 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that (1) the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons; (2) the Indemnifying Person shall only be liable for reasonable fees and expenses; and (3) all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm (x) for the Initial Purchaser, its affiliates, directors and officers and any control Persons of such Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc., (y) for any Holder, its affiliates, directors and officers and any control Persons of such Holder shall be designated in writing by the Majority Holders and (z) in all other cases shall be designated in writing by the Company or any Guarantor. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have (A) reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement or (B) delivered notice to the Indemnified Person of its good faith objection to such claim of indemnification within 30 days after receipt by such Indemnifying Person of such request. No Indemnifying Person shall, without the written consent of the Indemnified Person (which consent shall not be unreasonably withheld), effect any settlement in any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (A) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) (i) in such proportion as is appropriate to reflect the relative benefits received by the Indemnifying Person or Persons, on the one hand, and by the Indemnified Person or Persons, on the other hand, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, rule, regulation or order, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Holders on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Guarantors on the one hand and the Holders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company, the Guarantors and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 5 were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5, in no event shall a Holder be required to contribute any amount in excess of the amount by which the total price at which the Securities or Exchange Securities sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (e), (x) each Person, if any, who controls such Indemnified Person within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such Indemnified Person, and (y) each of the directors and officers of the Company and the Guarantors, and each Person, if any, who controls the Company or any Guarantor within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company or any Guarantor.

(f) The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchaser or any Holder, their respective affiliates or any Person controlling the Initial Purchaser or any Holder, or by or on behalf of the Company or the Guarantors, their respective affiliates or the officers or directors of or any Person controlling the Company or the Guarantors, (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. *General*.

(a) *No Inconsistent Agreements.* The Company and the Guarantors represent, warrant and agree that (i) the rights granted to the Holders hereunder do not in any way conflict

with and are not inconsistent with the rights granted to the holders of any other outstanding securities issued or guaranteed by the Company or any Guarantor under any other agreement in effect on the date hereof and (ii) neither the Company nor any Guarantor has entered into, or on or after the date of this Agreement will enter into, any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof.

(b) *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent; *provided*, that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder. Notwithstanding the foregoing, (1) a waiver or consent to depart from the provisions hereof, with respect to a matter which relates exclusively to the rights of Holders whose securities are being sold pursuant to a Shelf Registration Statement and does not directly or indirectly adversely affect the rights of other Holders, may be given by the Holders of a majority in principal amount of Registrable Securities being sold under such Shelf Registration Statement, and (2) this Agreement may be amended or supplemented without notice to or consent of any Holder to (i) cure any ambiguity or omission or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions contained herein or (ii) add to the covenants of the Company or the Guarantors such further covenants, restrictions or conditions for the benefit of the Holders. Any amendments, modifications, supplements, waivers or consents pursuant to this Section 6(b) shall be by a writing executed by each of the parties hereto.

(c) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail (return receipt requested), facsimile, or courier guaranteeing overnight delivery: (i) if to a Holder, at the most current address given by such Holder to the Company or any Guarantor by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchaser, the address set forth in the Purchase Agreement; (ii) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c); and (iii) to such other Persons at their respective addresses as provided in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c). All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by the recipient's facsimile machine or machine operator, if sent by facsimile; and on the next Business Day, if timely delivered to a courier guaranteeing overnight delivery. Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; *provided*, that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchaser (in their capacity as Initial Purchaser) shall have no liability or obligation to

the Company or the Guarantors with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) *Third Party Beneficiaries.* Each Holder shall be a third party beneficiary to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchaser, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of other Holders hereunder.

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

(g) *Headings.* The headings in this Agreement are for convenience of reference only, are not a part of this Agreement and shall not limit or otherwise affect the meaning hereof.

(h) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(i) *Entire Agreement.* This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto.

(j) *Severability*. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions, covenants and restrictions contained herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Company, the Guarantors and the Initial Purchaser shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, void or unenforceable provisions.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ETHAN ALLEN GLOBAL, INC.

By:_____
Name:
Title:

ETHAN ALLEN INTERIORS INC.,
as a Guarantor

By:_____
Name:
Title:

ETHAN ALLEN OPERATIONS, INC.,
as a Guarantor

By:_____
Name:
Title:

ETHAN ALLEN REALTY, LLC,
as a Guarantor

By:_____
Name:
Title:

ETHAN ALLEN RETAIL, INC.,
as a Guarantor

By:_____
Name:
Title:

LAKE AVENUE ASSOCIATES, INC.,
as a Guarantor

By:_____
Name:
Title:

MANOR HOUSE, INC.,
as a Guarantor

By:_____
Name:
Title:

Confirmed and accepted as of the date first above writtern:

J.P. MORGAN SECURITIES INC.

As Initial Purchaser

By: _____
Authorized Signatory

Parent Guarantor

Ethan Allen Interiors Inc.

Subsidiary Guarantors

Ethan Allen Operations, Inc.
Ethan Allen Realty, LLC
Ethan Allen Retail, Inc.
Lake Avenue Associates, Inc.
Manor House, Inc.

Exhibit 10.2

ETHAN ALLEN GLOBAL, INC.,
as Issuer

ETHAN ALLEN INTERIORS INC.
ETHAN ALLEN OPERATIONS, INC.
ETHAN ALLEN REALTY, LLC
ETHAN ALLEN RETAIL, INC.
LAKE AVENUE ASSOCIATES, INC.
MANOR HOUSE, INC.
as Guarantors

AND

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

5.375% Senior Notes Due 2015

INDENTURE

Dated as of September 27, 2005

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CROSS-REFERENCE TABLE

Trust Indenture Act Section	Indenture
310(a)(1)	Section 7.10
(a)(2)	Section 7.10
(a)(3)	N.A.
(a)(4)	N.A.
(b)	Sections 7.08, 7.10
(c)	N.A.
311(a)	Section 7.11
(b)	Section 7.11
(c)	N.A.
312(a)	Section 2.05
(b)	Section 11.03
(c)	Section 11.03
313(a)	Section 7.06
(b)(1)	N.A.
(b)(2)	Section 7.06
(c)	Section 7.06
(d)	Section 7.06
314(a)	Sections 3.05, 3.13, 11.02, 11.05
(b)	N.A.
(c)(1)	Section 11.04
(c)(2)	Section 11.04
(c)(3)	N.A.
(d)	N.A.
(e)	Section 11.05
315(a)	Section 7.01
(b)	Sections 7.05; 11.02
(c)	Section 7.01
(d)	Section 7.01
(e)	Section 6.11
316(a)(last sentence)	Section 11.06
(a)(1)(A)	Section 6.05
(a)(1)(B)	Section 6.04
(a)(2)	N.A.
(b)	Section 6.07
317(a)(1)	Section 6.08
(a)(2)	Section 6.09
(b)	Section 2.04
318(a)	Section 11.01

N.A. means Not Applicable.

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

INDENTURE dated as of September 27, 2005, among ETHAN ALLEN GLOBAL, INC., a Delaware corporation (the "**Company**"), as issuer, ETHAN ALLEN INTERIORS INC. ("**Holdings**") and the several Subsidiary Guarantors (collectively with Holdings, the "**Guarantors**"), as guarantors, and U.S. Bank National Association, a national banking association (the "**Trustee**"), as trustee.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Company's 5.375% Senior Notes due 2015 issued on the date hereof and the guarantees thereof by the Guarantors (the "**Notes**") and, if and when issued in exchange for the Notes as provided in the Registration Rights Agreement or a similar agreement relating to the Notes, the Company's 5.375% Senior Notes due 2015 and the guarantees thereof by each Guarantor, except that such exchange Notes shall not be subject to additional interest or transfer restrictions (the "**Exchange Notes**").

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. *Definitions.*

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

"**Agent Member**" has the meaning ascribed to it in Section 2.01(d)(iii) hereof.

"**Attributable Indebtedness**" means, when used with respect to any Sale and Lease-Back Transaction, as at the time of determination, the present value (discounted at the rate of interest set forth in or implicit in the terms of the lease) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale and Lease-Back Transaction (including any period for which such lease has been extended).

"**Authenticating Agent**" has the meaning ascribed to it in Section 2.02 hereof.

"**Board of Directors**" means, with respect to any Person, the board of directors of such Person or any duly authorized committee thereof.

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

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options (whether or not currently exercisable), participations or other equivalents of or interests in (however designated) the equity (which includes, but is not limited to, common stock, preferred stock and partnership and joint venture interests) of such Person (excluding any debt securities convertible into, or exchangeable for, such equity).

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

"**Company**" means Ethan Allen Global, Inc., or its successor.

"**Company Order**" has the meaning ascribed to it in Section 2.02 hereof.

"**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"**Comparable Treasury Price**" means, with respect to any Redemption Date, (a) the average of five Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"**Consolidated Net Tangible Assets**" means, at any date of determination, the total amount of assets of Holdings and its consolidated subsidiaries after deducting therefrom:

(i) all current liabilities (excluding any current liabilities that by their terms are extendable or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed);

(ii) total prepaid expenses and deferred charges; and

(iii) all goodwill, trade names, trademarks, patents, licenses, copyrights and other intangible assets, all as set forth, or on a pro forma basis would be set forth, on the consolidated balance sheet of the Guarantor and its consolidated Subsidiaries for its most recently completed fiscal quarter, prepared in accordance with U.S. GAAP.

"**Corporate Trust Office**" means the designated office of the Trustee at which at any particular time its corporate trust business shall be administered,

which office is, as of the date hereof, located at One Federal Street, 3rd Floor, Boston, Massachusetts, Attention: Corporate Trust Services.

"**covenant defeasance option**" has the meaning ascribed to it in Section 8.01(b) hereof.

"**Credit Agreement**" means the Credit Agreement, dated as of July 21, 2005, among Holdings, the Company, JPMorgan Chase Bank, N.A., as Administrative Agent and the various lending institutions named on the signature pages thereof, as such agreement may be amended, modified, renewed, refunded, restated, refinanced or replaced from time to time.

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

"**Defaulted Interest**" has the meaning ascribed to it in Section 2.13 hereof.

"**Definitive Notes**" means certificated Notes.

"**DTC**" means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution hereinafter appointed by the Company.

"**Event of Default**" has the meaning ascribed to it in Section 6.01 hereof.

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

"**Exchange Global Note**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Exchange Notes**" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"**Exchange Offer**" has the meaning ascribed to it the Registration Rights Agreement.

"**Fiscal Year**" means the fiscal year of the Company ending on June 30 of each year.

"Global Note" has the meaning ascribed to it in Section 2.01(a) hereof.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee," when used as a verb, has a corresponding meaning.

"**Guarantee**" means each guarantee of payment of the Notes and any other obligations of the Company by each Guarantor pursuant to the terms of this Indenture.

"**Guarantors**" has the meaning ascribed to it in the first introductory paragraph hereof.

"**Hedge Agreements**" means all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"**Holder**" or "**Noteholder**" means the Person in whose name a Note is registered in the Note Register.

"**Holdings**" means Ethan Allen Interiors Inc., or its successor.

"**IAI**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Indebtedness**" means, as to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee which are capitalized in accordance with U.S. GAAP, (e) all obligations of such Person created or arising under any conditional sales or other title retention agreement with respect to any property acquired by such Person (including without limitation, obligations under any such agreement which provides that the rights and remedies of the seller or lender thereunder in the event of default are limited to repossession or sale of such property), (f) all obligations of such Person with respect to letters of credit and similar instruments, including without limitation obligations under reimbursement agreements, (g) all Indebtedness of others secured by (or for which the holder of such Indebtedness has existing right, contingent or otherwise, to be secured by) a Lien on any asset

of such Person, whether or not such Indebtedness is assumed by such Person, (h) all net obligations of such Person in respect of equity derivatives and Hedge Agreements and (i) all guarantees of such Person (other than guarantees of obligations of direct or indirect Subsidiaries of such Person).

"**Indenture**" means this Indenture, as amended or supplemented from time to time in accordance with its terms.

"**Independent Investment Banker**" means J.P. Morgan Securities Inc. or, if the foregoing is unwilling or unable to select the applicable Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Company.

"**Notes**" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"**Initial Purchaser**" means J.P. Morgan Securities Inc.

"**Institutional Accredited Investor Global Note**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Issue Date**" means the date on which the Notes are originally issued.

"**legal defeasance option**" has the meaning ascribed to it in Section 8.01(b) hereof.

"**Legal Holiday**" has the meaning ascribed to it in Section 11.08 hereof.

"**Lien**" means any mortgage, lien, security interest, pledge, charge or other encumbrance.

"**Material**" means material in relation to the business, operations, affairs, financial condition, assets or properties of Holdings and its consolidated Subsidiaries taken as a whole.

"**Material Adverse Effect**" means a material adverse effect, or any development involving a prospective material adverse effect, in the condition, financial or otherwise, or in the earnings, business or operations of Holdings and its consolidated Subsidiaries taken as a whole.

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

"**Note Register**" means the register of Notes, maintained by the Registrar, pursuant to Section 2.03 hereof.

"**Obligations**" has the meaning ascribed to it in Section 10.01 hereof.

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller or the Secretary of the Company.

"**Officers' Certificate**" means a certificate signed by two Officers or attorneys-in-fact or by an Officer and either an Assistant Treasurer or an Assistant Secretary of the Company.

"**Opinion of Counsel**" means a written opinion from legal counsel, which counsel may be an employee of or counsel to the Company, who shall be reasonably acceptable to the Trustee. The form and substance of such Opinion of Counsel shall likewise be reasonably acceptable to the Trustee.

"**Paying Agent**" means the Person (including the Company) authorized by the Company to pay the principal of (or premium, if any) or interest, if any, on any Notes on behalf of the Company.

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

"**Principal Property**" means any building, structure, manufacturing facility or other facility owned or leased by Holdings or a Restricted Subsidiary located within the United States of America, but not including any such property determined by a board resolution of Holdings not to be of material importance to the respective businesses conducted by Holdings or such Restricted Subsidiary effective as of the date such resolution is adopted.

"**Private Placement Legend**" has the meaning ascribed to it in Section 2.01(c) hereof.

"**QIB**" means any "qualified institutional buyer" (as defined in Rule 144A under the Securities Act).

"**Redemption Date**" means, with respect to any redemption of Notes, the date of redemption with respect thereto.

"**Redemption Price**" has the meaning ascribed to it under the section entitled "Optional Redemption by the Company" on the reverse side of the Notes, the forms of which are attached as Exhibit A hereto.

"**Reference Treasury Dealer**" means (a) J.P. Morgan Securities Inc. and its successors, *provided, however*, that if the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a "**Primary Treasury Dealer**"), the Company will substitute another Primary Treasury Dealer; and (b) any four other Primary Treasury Dealers selected by the Company after consultation with the Independent Investment Banker.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any Redemption Date, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Notes (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"**Registrar**" has the meaning ascribed to it in Section 2.03 hereof.

"**Registration Rights Agreement**" means the Registration Rights Agreement dated the Issue Date among the Company, each Guarantor and the Initial Purchaser.

"**Regulation S**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Regulation S Global Note**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Regulation S Legend**" has the meaning ascribed to it in Section 2.01(c) hereof.

"**Regulation S Note**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Resale Restriction Termination Date**" has the meaning ascribed to it in Section 2.06 hereof.

"**Restricted Notes Legend**" means the Private Placement Legend set forth in clause (1) of Section 2.01(c) hereof or the Regulation S Legend set forth in clause (2) of Section 2.01(c) hereof, as applicable.

"**Restricted Period**" means the 40 consecutive days beginning on and including the later of (i) the day on which the Notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (ii) the Issue Date.

"**Restricted Subsidiary**" means (a) the Company, (b) each Subsidiary Guarantor and (c) each Significant Subsidiary.

"**Rule 144A**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Rule 144A Global Note**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Rule 144A Note**" has the meaning ascribed to it in Section 2.01(a) hereof.

"**Sale and Lease-Back Transaction**" means any arrangement with any person providing for the leasing by Holdings or any Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred by Holdings or such Restricted Subsidiary to such person; *provided* that, "sale and lease-back transaction" shall not include (a) temporary leases for a term, including renewals at the option of the lessee of not more than three years, (b) leases among Holdings or a Restricted Subsidiary, (c) leases of a Principal Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation of the Principal Property and (d) arrangements pursuant to any provision of law with an effect similar to the former Section 168(f)(8) of the Internal Revenue Code of 1954.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securities Custodian**" means the custodian with respect to the Global Note (as appointed by DTC), or any successor Person thereto and shall initially be the Trustee.

"**Significant Subsidiary**" means any Subsidiary of Holdings which is a "significant subsidiary" under Regulation S-X under the Securities Act.

"**Special Interest Payment Date**" has the meaning ascribed to it in Section 2.13 hereof.

"**Special Record Date**" has the meaning ascribed to it in Section 2.13 hereof.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Subsidiary**" means any corporation, limited liability company or other business entity of which the requisite number of shares of stock or other equity ownership interests having ordinary voting power (without regard to the occurrence of any contingency) to elect a majority of the directors, managers or trustees thereof, or any partnership of which more than 50% of the partners' equity interests (considering all partners' equity interests as a single class) is, in each case, at the time owned or controlled, directly or indirectly, by Holdings, one or more of its subsidiaries, or combination thereof.

"**Subsidiary Guarantors**" means (a) Ethan Allen Operations, Inc., (b) Ethan Allen Realty, LLC, (c) Ethan Allen Retail, Inc., (d) Lake Avenue

Associates, Inc., (e) Manor House, Inc. and (f) every Subsidiary of Holdings other than Riverside Water Works, Inc. that becomes a guarantor of the Company's obligations under the Credit Agreement from time to time after the date hereof; *provided* that, to the extent that any Subsidiary ceases to be a guarantor under the Credit Agreement, such Subsidiary shall cease to be a Subsidiary Guarantor under the Indenture.

"Treasury Rate" means, with respect to any Redemption Date, (a) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or (b) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such Redemption Date. The treasury rate will be calculated by the Company on the third business day preceding the date fixed for redemption.

"**Trust Indenture Act**" means the U.S. Trust Indenture Act of 1939, as in effect on the date of this Indenture.

"**Trust Officer**" means, with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee to whom any corporate trust matter is referred because of such officer's knowledge of and familiarity with the particular subject and shall also mean any officer who shall have direct responsibility for the administration of this Indenture.

"**Trustee**" means the party named as such in this Indenture until a successor replaces it and, thereafter, such successor.

"**U.S. GAAP**" means generally accepted accounting principles in the United States, as in effect from time to time.

"**U.S. Government Securities**" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith

and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depository receipt.

"**Voting Stock**" means Capital Stock of any class or classes of a Person, the holders of which are ordinarily, in the absence of contingencies, entitled to elect corporate directors (or Persons performing similar functions).

Section 1.02. *Incorporation by Reference of Trust Indenture Act.* This Indenture is subject to the mandatory provisions of the Trust Indenture Act which are incorporated by reference in and made a part of this Indenture. The following Trust Indenture Act terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Notes.

"indenture security holder" means a Noteholder.

"indenture to be qualified" means this Indenture.

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

"obligor" on the indenture securities means the Company and any other obligor on the indenture securities.

All other Trust Indenture Act terms used in this Indenture that are defined by the Trust Indenture Act, defined in the Trust Indenture Act by reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

Section 1.03. *Rules of Construction.* Unless the context otherwise requires:

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

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

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular; and

(6) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with U.S. GAAP.

ARTICLE 2
THE NOTES

Section 2.01. *Form, Dating and Terms*. (a) The Notes are being offered and sold by the Company pursuant to a Purchase Agreement, dated September 22, 2005 among the Company, the Guarantors and the Initial Purchaser. The Notes will be resold initially only to (i) qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A ("**QIBs**") and (ii) Persons other than U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) in reliance on Regulation S. Such Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and IAIs in accordance with Rule 501 of the Securities Act in reliance on the procedure described herein.

Notes offered and sold to the Initial Purchaser, and subsequently resold to QIBs in the United States of America in reliance on Rule 144A (the "**Rule 144A Note**") will be issued on the Issue Date in the form of a permanent global Note, without interest coupons, substantially in the form of Exhibit A hereto, which is hereby incorporated by reference and made a part of this Indenture, including appropriate legends as set forth in Section 2.01(c) hereof (the "**Rule 144A Global Note**"), deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The Rule 144A Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

Notes offered, sold and resold outside the United States of America (the "**Regulation S Note**") in reliance on Regulation S shall be issued in the form of a permanent global Note substantially in the form of Exhibit A hereto, including appropriate legends as set forth in Section 2.01(c) hereof (the "**Regulation S Global Note**"), deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The Regulation S Global Note may be represented by more than one certificate, if so

required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

Notes resold after an initial resale to QIBs in reliance on Rule 144A or an initial resale in reliance on Regulation S to institutional "accredited investors" (as defined in Rules 501(a)(1), (2), (3) and (7) under the Securities Act) who are not QIBs (the "**IAIs**") in the United States of America will be issued in the form of a permanent global Note substantially in the form of Exhibit A hereto (the "**Institutional Accredited Investor Global Note**") deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The Institutional Accredited Investor Global Note may be represented by more that one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Institutional Accredited Investor Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

Exchange Notes exchanged for interests in the Rule 144A Note, the Regulation S Note and the Institutional Accredited Investor Global Note will be issued in the form of a permanent global Note substantially in the form of Exhibit A hereto, which is hereby incorporated by reference and made a part of this Indenture, deposited with the Trustee as hereinafter provided, including the appropriate legend set forth in Section 2.01(c) hereof (the "**Exchange Global Note**"). The Exchange Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate.

The Rule 144A Global Note, the Regulation S Global Note, the Institutional Accredited Investor Global Note and the Exchange Global Note are sometimes collectively herein referred to as the "**Global Notes**".

Except as described in the succeeding two sentences, the principal of and premium, if any, and interest on the Notes shall be payable at the office or agency of the Company maintained for such purpose in The City of New York, or at such other office or agency of the Company as may be maintained for such purpose pursuant to Section 2.03 hereof; *provided, however*, that, at the option of the Company, each installment of interest may be paid by (i) check mailed to addresses of the Persons entitled thereto as such addresses shall appear on the Note Register or (ii) wire transfer to an account located in the United States maintained by the payee. Payments in respect of Notes represented by a Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC. Payments in respect of Notes represented by Definitive Notes (including principal, premium, if

any, and interest) held by a Holder of at least $1,000,000 aggregate principal amount of Notes represented by Definitive Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than the March 15 or September 15 next preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage, in addition to those set forth on Exhibit A hereto and in Section 2.01(c) hereof, *provided* that any such notation, legend or endorsement is in a form reasonably acceptable to the Company. The Company and the Trustee shall approve the forms of the Notes and any notation, endorsement or legend on them. Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibit A hereto are part of the terms of this Indenture and, to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to be bound by such terms.

(b) Denominations. The Notes shall be issuable only in fully registered form, without coupons, and only in denominations of $2,000 and any integral multiple of $1,000.

(c) Restrictive Legends. Unless and until (i) a Note is sold under an effective registration statement or (ii) a Note is exchanged for an Exchange Note in connection with an effective registration statement, in each case pursuant to the Registration Rights Agreement or a similar agreement,

(i) The Rule 144A Global Note and the Institutional Accredited Investor Global Note shall bear the following legend (the "**Private Placement Legend**") on the face thereof:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE ''SECURITIES ACT''), AND THIS NOTE AND ANY PARTICIPATION OR INTEREST IN THE NOTE MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR ENCUMBERED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS NOTE MAY BE OFFERED, RESOLD,

PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) (IV) TO AN INSTITUTIONAL ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1),(2),(3) OR (7) UNDER THE SECURITIES ACT THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A TRANSACTION INVOLVING A MINIMUM PRINCIPAL AMOUNT OF THE NOTES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND SUBJECT IN THE CASE OF CLAUSES (I), (II), (III) OR (IV) SUBJECT TO OUR AND THE TRUSTEE'S RIGHT PRIOR TO ANY OFFER, SALE OR TRANSFER TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL OR OTHER INFORMATION SATISFACTORY TO EACH OF US AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE."

(ii) The Regulation S Global Note shall also bear the following legend (the "**Regulation S Legend**") on the face thereof:

"THIS NOTE IS A TEMPORARY GLOBAL NOTE. PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD APPLICABLE HERETO, BENEFICIAL INTERESTS HEREIN MAY NOT BE HELD BY ANY PERSON OTHER THAN (1) A NON-U.S. PERSON OR (2) A U.S. PERSON WHO PURCHASED SUCH INTEREST IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT PURSUANT TO RULE 144A THEREUNDER. BENEFICIAL INTERESTS HEREIN ARE NOT EXCHANGEABLE FOR PHYSICAL NOTES OTHER THAN A PERMANENT GLOBAL NOTE IN ACCORDANCE WITH THE TERMS OF THE INDENTURE. TERMS IN THIS LEGEND ARE USED AS USED IN REGULATION S UNDER THE SECURITIES ACT."

(iii) Each of the Global Notes shall bear the following legend on the face thereof:

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

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF."

(d) Book-Entry Provisions. (i) This Section 2.01(d) shall apply only to Global Notes deposited with the Trustee, as custodian for DTC.

(ii) Each Global Note initially shall (A) be registered in the name of DTC or the nominee of DTC, (B) be delivered to the Trustee as custodian for DTC and (C) bear legends as set forth in Section 2.01(c) hereof.

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

(iv) In connection with any transfer of a portion of the beneficial interest in a Global Note pursuant to Section 2.01(e) hereof to beneficial owners who are required to hold Definitive Notes, the Securities Custodian shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Notes of like tenor and amount.

(v) In connection with the transfer of an entire Global Note to beneficial owners pursuant to Section 2.01(e) hereof, such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by DTC in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations.

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

(e) Definitive Notes. (i) Except as provided below, owners of beneficial interests in Global Notes will not be entitled to receive Definitive Notes. If required to do so pursuant to any applicable law or regulation, beneficial owners may obtain Definitive Notes in exchange for their beneficial interests in a Global Note upon written request in accordance with DTC's and the Registrar's procedures. In addition, Definitive Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in a Global Note if (a) DTC notifies the Company that it is unwilling or unable to continue as depositary for such Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Company within 90 days of such notice or, (b) the Company executes and delivers to the Trustee and Registrar an Officers' Certificate stating that such Global Note shall be so exchangeable or (c) an Event of Default has occurred and is continuing and the Registrar has received a request from DTC.

(ii) Any Definitive Note delivered in exchange for an interest in a Global Note pursuant to Section 2.01(d)(iv) or (v) hereof shall, except as otherwise provided by Section 2.06(c) hereof bear the applicable legend regarding transfer restrictions applicable to the Definitive Note set forth in Section 2.01(c) hereof.

(iii) In connection with the exchange of a portion of a Definitive Note for a beneficial interest in a Global Note, the Trustee shall cancel

such Definitive Note, and the Company shall execute, and the Trustee shall authenticate and deliver, to the transferring Holder a new Definitive Note representing the principal amount not so transferred.

Section 2.02. *Execution and Authentication.* One Officer shall execute the Notes on behalf of the Company by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless, after giving effect to any exchange of Notes for Exchange Notes.

A Note shall not be valid until an authorized signatory of the Trustee manually authenticates the Note. The signature of the Trustee on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. A Note shall be dated the date of its authentication.

At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery: (1) Notes for original issue on the Issue Date in an aggregate principal amount of $200,000,000 and (2) Exchange Notes for issue only in an Exchange Offer pursuant to the Registration Rights Agreement, and only in exchange for Notes of an equal principal amount, in each case upon a written order of the Company signed by two Officers or by an Officer and an Assistant Treasurer or an Assistant Secretary of the Company (the "**Company Order**"). Such Company Order shall specify the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated and whether the Notes are to be Exchange Notes. The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to $200,000,000 outstanding, except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of, other Notes of the same class pursuant to Section 2.06, Section 2.09, Section 2.11, Section 5.08, or Section 9.05 hereof and except for transactions similar to the Exchange Offer. All Notes shall be identical in all respects other than issue dates, the date from which interest accrues and any changes relating thereto. Notwithstanding anything to the contrary contained in this Indenture, the Notes and the Exchange Notes will be treated as a single class of securities under this Indenture. Without limiting the generality of the foregoing sentence, all Notes issued under this Indenture shall vote and consent together on all matters as one class and no Notes will have the right to vote or consent as a separate class on any matter.

The Trustee may appoint an agent (the "**Authenticating Agent**") reasonably acceptable to the Company to authenticate the Notes. Unless limited by the terms of such appointment, any such Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by the Authenticating Agent. An Authenticating Agent has the same rights as a Paying Agent to deal with Holders or an Affiliate of the Company.

Section 2.03. *Registrar and Paying Agent.* The Company shall cause to be kept a register for the Notes (the "**Note Register**") in which, subject to such reasonable regulations as the Company may prescribe, the Company shall provide for the registration of the Notes and of all transfers and exchanges with respect thereto. The Note Register shall be maintained by the Trustee or such other Person (including the Company) appointed by the Company as the registrar (the "**Registrar**"). The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange and an office or agency where Notes may be presented for payment (the "**Place of Payment**"). The Company shall cause each of the Registrar and the Paying Agent to maintain an office or agency in the Borough of Manhattan, The City of New York. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with any Registrar and Paying Agent that is not a party to this Indenture, which shall incorporate the terms of the Trust Indenture Act. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of each such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07 hereof. The Company or any other Restricted Subsidiary may act as Paying Agent, Registrar, co-registrar or transfer agent.

The Company initially appoints DTC to act as depository with respect to the Global Notes. The Trustee is authorized to enter into a letter of representations with DTC in the form provided to the Trustee by the Company and to act in accordance with such letter.

The Company initially appoints the Trustee as Registrar and Paying Agent for the Notes.

Section 2.04. *Paying Agent to Hold Money in Trust.* By at least 10:00 a.m. (New York City time) on the date on which any principal of and premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal, premium, if any, or interest when due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Noteholders or the Trustee all money held by such Paying Agent for the payment of principal of and premium, if any, or interest on the Notes and shall notify the Trustee in writing of any default by the Company or any Guarantor in making any such payment. If the Company or a Restricted Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.04, the Paying Agent (if other than the Company) shall have no further liability

for the money delivered to the Trustee. Upon any bankruptcy, reorganization or similar proceeding with respect to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05. *Noteholder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders and shall otherwise comply with Trust Indenture Act, Section 312(a), which requires the Trustee to so preserve all such information furnished to it or received by it under Section 312(a) in its capacity as Paying Agent. If the Trustee is not the Registrar, or to the extent otherwise required under the Trust Indenture Act, the Company, on its own behalf and on behalf of each Guarantor, shall furnish to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Noteholders, which list may be conclusively relied upon by the Trustee, and the Company shall otherwise comply with Trust Indenture Act, Section 312(a) requiring each obligor under the Notes to furnish (or cause to be furnished) to the Trustee at intervals of not more than six months (and at such other times as the Trustee may request in writing) all information in the possession or control of such obligor or the Paying Agent, as the names and addresses of the Noteholders.

Section 2.06. *Transfer and Exchange.* (a) The following provisions shall apply with respect to any proposed transfer of a beneficial interest in a Rule 144A Note or an Institutional Accredited Investor Global Note prior to the date that is two years after the later of the date of its original issue and the last date on which the Company or any affiliate of the Company was the owner of such Notes (or any predecessor thereto) (the "**Resale Restriction Termination Date**"):

(i) a transfer of a Rule 144A Note or an Institutional Accredited Investor Global Note or a beneficial interest therein to a QIB shall be made upon the representation of the transferee in the form as set forth on the reverse of the Note that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the proposed transferee has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A;

(ii) a transfer of a Rule 144A Note or an Institutional Accredited Investor Global Note or a beneficial interest therein to an IAI shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in Section 2.07 hereof from the proposed

transferee and, if requested by the Company or the Trustee, the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them; and

(iii) a transfer of a Rule 144A Note or an Institutional Accredited Investor Global Note or a beneficial interest therein to a Non-U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in Section 2.08 hereof from the proposed transferee and, if requested by the Company or the Trustee, the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them.

(b) The following provisions shall apply with respect to any proposed transfer of a beneficial interest in a Regulation S Note prior to the expiration of the Restricted Period:

(i) a transfer of a Regulation S Note or a beneficial interest therein to a QIB shall be made upon the representation of the transferee, in the form of assignment on the reverse of the Note, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the proposed transferee has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A;

(ii) a transfer of a Regulation S Note or a beneficial interest therein to an IAI shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in Section 2.07 hereof from the proposed transferee and, if requested by the Company or the Trustee, the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them; and

(iii) a transfer of a Regulation S Note or a beneficial interest therein to a Non-U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in Section 2.08 hereof from the proposed transferee and, if requested by the Company or the Trustee, delivery of an opinion of counsel, certification and/or other information satisfactory to each of them.

After the expiration of the Restricted Period, beneficial interests in the Regulation S Note may be transferred without requiring certification provided for in Section 2.07 or Section 2.08 hereof, or any additional certification.

(c) Upon the transfer, exchange or replacement of Notes not bearing a Restricted Notes Legend, the Registrar shall deliver Notes that do not bear a Restricted Notes Legend. Upon the transfer, exchange or replacement of Notes bearing a Restricted Notes Legend, the Registrar shall deliver only Notes that bear a Restricted Notes Legend unless there is delivered to the Registrar an Opinion of Counsel to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(d) The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.01 hereof or this Section 2.06. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable prior written notice to the Registrar.

(e) Obligations with Respect to Transfers and Exchanges of Notes.

(i) To permit registrations of transfers and exchanges, the Company shall, subject to the other terms and conditions of this Article 2, execute and the Trustee shall authenticate Definitive Notes and Global Notes at the Registrar's or co-registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company may require from a Holder payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 9.05 hereof).

(iii) The Registrar or co-registrar shall not be required to register the transfer of, or exchange of, any Note for a period beginning (A) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (B) 15 days before an interest payment date and ending on such interest payment date.

(iv) Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee, the Paying Agent, the Registrar or any co-registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and premium, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Trustee, the Paying Agent, the Registrar or any co registrar shall be affected by notice to the contrary.

(v) Any Definitive Note delivered in exchange for an interest in a Global Note pursuant to Section 2.01(d) hereof shall, except as

otherwise provided by Section 2.06(c) hereof, bear the applicable legend regarding transfer restrictions applicable to the Definitive Note set forth in Section 2.01(c) hereof.

(vi) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(vii) All Global Notes shall be registered in the name of DTC, or a nominee thereof, and all transfers of beneficial ownership interests therein will be made in accordance with the rules of DTC. No investor or other party purchasing, selling or otherwise transferring beneficial ownership interests in Global Notes shall receive, hold or deliver any certificate representing the same. The Company and the Trustee shall have no responsibility or liability for transfers of beneficial ownership interests in any Global Note.

(f) The Trustee shall have no responsibility, obligation or duty to:

(i) any beneficial owner of a Global Note, an Agent Member or any other Person with respect to (A) the accuracy of the records of DTC or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes, (B) the delivery to any participant, member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes, or (C) the selection of the particular Notes or portions thereof to be redeemed or refunded in the event of a partial redemption or refunding of the Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through DTC subject to the applicable rules and procedures of DTC. The Trustee may rely and shall be fully protected in relying upon information furnished by DTC with respect to its members, participants and any beneficial owners; or

(ii) monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among DTC, its Agent Members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture with respect

to transfers between Holders, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.07. *Form of Certificate to be Delivered in Connection with Transfers to Institutional Accredited Investors.* The form of certificate to be delivered in connection with transfers of Notes to IAIs is set forth as Exhibit B hereto.

Section 2.08. *Form of Certificate to be Delivered in Connection with Transfers Pursuant to Regulation S.* The form of certificate to be delivered in connection with transfers of Notes pursuant to Regulation S is set forth as Exhibit C hereto.

Section 2.09. *Mutilated, Destroyed, Lost or Stolen Notes.* If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the New York Uniform Commercial Code are met and the Holder satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Note is replaced, and, in the absence of notice to the Company or the Trustee that such Note has been acquired by a bona fide purchaser, the Company shall execute and upon Company Order the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Note or in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note under this Section 2.09, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Note issued pursuant to this Section 2.09 in lieu of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, each Guarantor (if applicable) and any other obligor upon the Notes, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 2.09 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.10. *Outstanding Notes.* (a) Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section 2.10 as not outstanding. A Note ceases to be outstanding in the event the Company holds the Note, *provided, however*, that (i) for purposes of determining which are outstanding for consent or voting purposes hereunder, Notes shall cease to be outstanding in the event the Company or an Affiliate of the Company holds the Note and (ii) in determining whether the Trustee shall be protected in making a determination whether the Holders of the requisite principal amount of outstanding Notes are present at a meeting of Holders of Notes for quorum purposes or have consented to or voted in favor of any request, demand, authorization, direction, notice, consent, waiver, amendment or modification hereunder, or relying upon any such quorum, consent or vote, only Notes which a Trust Officer of the Trustee actually knows to be held by the Company or an Affiliate of the Company shall not be considered outstanding.

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

(c) If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a Redemption Date or maturity date money sufficient to pay all principal, premium, if any, and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Noteholders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

Section 2.11. *Temporary Notes.* Until Definitive Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate Definitive Notes. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the temporary Notes at any office or agency maintained by the Company for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Company shall execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, one or more Definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes

shall in all respects be entitled to the same benefits under this Indenture as a holder of Definitive Notes.

Section 2.12. *Cancellation.* The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, and no one else, shall cancel and destroy (subject to the record retention requirements of the Exchange Act) all Notes surrendered for registration of transfer, exchange, payment or cancellation, in its customary manner. The Company may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange.

Section 2.13. *Payment of Interest; Defaulted Interest.* Interest on any Note which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the Person in whose name such Note (or one or more predecessor Notes) is registered at the close of business on the regular record date for such interest at the office or agency of the Company maintained for such purpose pursuant to Section 2.03 hereof.

Any interest on any Note which is payable, but is not paid when the same becomes due and payable and such nonpayment continues for a period of 30 days shall forthwith cease to be payable to the Holder on the regular record date by virtue of having been such Holder, and such defaulted interest and (to the extent lawful) interest on such defaulted interest at the rate borne by the Notes (such defaulted interest and interest thereon herein collectively called "**Defaulted Interest**") shall be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective predecessor Notes) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date (not less than 30 days after such notice) of the proposed payment (the "**Special Interest Payment Date**"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a record date (the "**Special Record Date**") for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the Special Interest Payment Date and not less than 10 days after the receipt by the Trustee of the notice

of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date, and in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor to be given in the manner provided for in Section 11.02 hereof, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor having been so given, such Defaulted Interest shall be paid on the Special Interest Payment Date to the Persons in whose names the Notes (or their respective predecessor Notes) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.13, each Note delivered under this Indenture upon registration of, transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

Section 2.14. *Computation of Interest.* Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.15. *CUSIP and ISIN Numbers.* The Company in issuing the Notes may use "CUSIP" and "ISIN" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" and "ISIN" numbers in notices of redemption as a convenience to Holders; *provided, however*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such CUSIP or ISIN numbers. The Company shall notify the Trustee in writing of any change in the CUSIP and ISIN numbers applicable to the Notes.

ARTICLE 3
COVENANTS

Section 3.01. *Payment of Notes.* (a) The Company shall promptly pay the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent

holds in accordance with this Indenture money sufficient to pay all principal, interest and premium, if any, then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date.

(b) The Company shall pay interest on overdue principal, premium, if any, and interest at the rate specified therefor in the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

(c) Notwithstanding anything to the contrary contained in this Indenture, the Company may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest payments hereunder.

Section 3.02. *Limitation on Liens.* (a) Holdings will not, and will not permit any Restricted Subsidiary to, create, assume, allow to exist or allow to be created or assumed any Lien on any Principal Property to secure any Indebtedness of Holdings or any Restricted Subsidiary, whether such Indebtedness is incurred at the date of this Indenture or hereafter acquired, unless Holdings also secures or causes such Restricted Subsidiary to secure the Notes and the Guarantees, if applicable, by a Lien equally and ratably with such other Indebtedness for so long as such Indebtedness shall be so secured; *provided, however*, that this covenant shall not apply in the case of: (i) Liens existing on the property of any Person at the time such Person becomes a Subsidiary; (ii) Liens existing on any property of Holdings or a Restricted Subsidiary at the date of this Indenture; (iii) the creation or existence of Liens on property acquired after the date of this Indenture (including acquisitions by way of merger or consolidation) by Holdings or a Restricted Subsidiary contemporaneously with such acquisition, or within 120 days thereafter, to secure or provide for the payment or financing of the purchase price, construction or improvement of the property, including Liens incurred pursuant to capital leases that are entered into for the purpose of financing the purchase, construction or improvement of the property subject to such capital lease, *provided* that every such Lien referred to in this clause (iii) shall attach only to the property so acquired and fixed improvements thereon and (iv) Liens incurred in favor of government entities or required by contracts with governmental entities.

(b) Notwithstanding the provisions of paragraph (a) of this Section, Holdings or any Restricted Subsidiary may create or assume Liens in addition to those permitted by paragraph (a) of this Section, and renew, extend or replace such Liens, *provided* that at the time of such creation, assumption, renewal, extension or replacement, and after giving effect thereto, the sum of the aggregate outstanding principal amount of Indebtedness secured by such Liens and the aggregate amount of all Attributable Indebtedness with respect to any outstanding Sale and Lease-Back Transaction does not exceed 20% of Consolidated Net Tangible Assets.

Section 3.03. *Sale and Lease-Back Transactions*. Holdings will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into any Sale and Lease-Back Transaction on any Principal Property except: (i) leases in a Sale and Lease-Back Transaction incurred when Holdings or such Restricted Subsidiary could incur a Lien on such Principal Property securing debt in an amount equal to the Attributable Indebtedness with respect to such Sale and Lease-Back Transaction, pursuant to the provisions of Section 3.02, without equally and ratably securing the Notes and Guarantees, if applicable; or (ii) (A) if Holdings or such Restricted Subsidiary promptly informs the Trustee of such transaction, (B) the net proceeds of such transaction are at least equal to the fair value (as determined by a board resolution of Holdings) of such Principal Property and (C) Holdings or such Restricted Subsidiary within 180 days after the effective date of such Sale and Lease-Back Transaction, applies an amount equal to the net proceeds of the sale of the Principal Property sold and leased back pursuant to such arrangement to either (1) the voluntary retirement of long-term Indebtedness incurred or assumed by Holdings or a Restricted Subsidiary (including the Notes) or (2) the acquisition of Principal Property; *provided further* that, in lieu of applying all of or any part of such proceeds to such retirement or acquisition, Holdings or such Restricted Subsidiary may, within 75 days after such sale, deliver or cause to be delivered to the applicable trustee for cancellation either debentures or notes evidencing long-term debt of Holdings or of a Restricted Subsidiary (which may include the outstanding Notes) previously authenticated and delivered by the applicable trustee, and not theretofore tendered for sinking fund purposes or called for a sinking fund or otherwise applied as a credit against an obligation to redeem or retire such notes or debentures, and an Officers' Certificate (which Certificate shall be delivered to the Trustee and each paying agent and which need not contain the statements prescribed by the second paragraph of Section 11.05) stating that the Company elects to deliver or cause to be delivered such debentures or notes in lieu of retiring long-term debt as hereinabove provided. If the Company shall so deliver debentures or notes to the applicable trustee and the Company shall duly deliver such Officers' Certificate, the amount of cash which the Company shall be required to apply to the retirement of long-term debt under this Section 3.03 shall be reduced by an amount equal to the aggregate of the then applicable optional redemption prices (not including any optional sinking fund redemption prices) of such debentures or notes, or, if there are no such redemption prices, the principal amount of such debentures or notes; *provided* that in the case of debentures or notes which provide for an amount less than the principal amount thereof to be due and payable upon a declaration of the maturity thereof, such amount of cash shall be reduced by the amount of principal of such debentures or notes that would be due and payable as of the date of such application upon a declaration of acceleration of the maturity thereof pursuant to the terms of the indenture pursuant to which such debentures or notes were issued.

Section 3.04. *Maintenance of Office or Agency.* (a) The Company shall maintain in The City of New York, an office or agency where the Notes may be presented or surrendered for payment, where, if applicable, the Notes may be

surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The office or agency used by the Trustee in The City of New York as its office or agency for receiving securities, as the same may from time to time be designated by the Trustee, shall be such office or agency of the Company, unless the Company shall designate and maintain some other office or agency for one or more of such purposes, the office or agency required under Section 2.03. The Company hereby initially designates U.S. Bank National Association, U.S. Bank Trust New York, 100 Wall Street, Suite 1600, New York, New York as one such office or agency of the Company in accordance with Section 2.03. The Company will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

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

Section 3.05. *SEC Reports and Available Information.* The Company shall comply with all the applicable provisions of Section 314(a) of the Trust Indenture Act. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 3.06. *Certificate To Trustee.* The Company shall deliver to the Trustee, within 120 days after the end of the last fiscal quarter of each year, an Officer's Certificate stating whether or not the signers know of any Default or Event of Default that occurred during such fiscal year. Such certificate shall contain a certification from the principal executive officer, principal financial officer or principal accounting officer of the Company that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under this Indenture and that the Company has complied with all conditions and covenants under this Indenture. For purposes of this Section 3.06, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this

Indenture. If any of the Officers signing such certificate has knowledge of such a Default or Event of Default, the certificate shall describe any such Default or Event of Default and its status.

Section 3.07. *Corporate Existence.* Subject to Article 4 and Section 10.02, Holdings and the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and that of each Restricted Subsidiary and the corporate rights (charter and statutory) licenses and franchises of Holdings and each Restricted Subsidiary; *provided, however*, that Holdings and the Company shall not be required to preserve any such right, license or franchise if the Board of Directors of Holdings or the Company, as applicable, shall determine that the preservation thereof is no longer desirable in the conduct of the business of Holdings and each of its Restricted Subsidiaries, taken as a whole, and that the loss thereof is not, and will not be, disadvantageous in any material respect to the Holders, and *provided further*, the Company or any Guarantor, as the case may be, may merge in accordance with Sections 4.01 and 10.02.

Section 3.08. *Maintenance of Properties; Insurance.* Holdings shall, and shall cause each of its Subsidiaries to, keep all property useful and necessary in its business in good working order and condition, except where failure to do so would not have a Material Adverse Effect; and Holdings shall maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks as are customary for Holdings' type of business.

Section 3.09. *Payment of Taxes and Other Claims.* Each of Holdings and the Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of Holdings or any Subsidiary and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a material liability or Lien upon the property of Holdings or any Restricted Subsidiary; *provided, however*, that Holdings shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of management of Holdings or the Company), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.10. *Payment for Consent.* Neither the Company, any Guarantor nor any Subsidiary will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fees or otherwise, to any Holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders of the Notes that consent, waive or

agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 3.11. *Waiver of Stay, Extension or Usury Laws.* The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of, premium, if any, or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture; and (to the extent that it may lawfully do so) the Company hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.12. *Further Instruments and Acts.* Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 3.13. *Notice of Defaults.* In the event that any Officer becomes aware of any Default or Event of Default, the Company shall promptly deliver to a Trust Officer an Officers' Certificate specifying such Default or Event of Default.

ARTICLE 4
CONSOLIDATION, MERGER, SALE OF ASSETS

Section 4.01. *Consolidation, Merger, Amalgamation and Sale of Assets.* Holdings shall not, and shall not cause or permit any Significant Subsidiary to, merge into or consolidate with any other Person, or permit any Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired), such assets including capital stock of Subsidiaries, unless:

(a) after giving effect to such transaction, no Event of Default has occurred or is continuing;

(b) upon any such consolidation, merger, sale, lease or conveyance to which the Company is a party and in which the Company is not the surviving corporation, the due and punctual performance and observance of all of the obligations, covenants and conditions of this Indenture to be performed or observed by the Company and the due and punctual payment of the principal of, interest and premium, if any, on all of the Notes, shall be expressly assumed by

supplemental indenture executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which the Company shall have been merged, or which shall have acquired such property; and

(c) upon any such consolidation, merger, sale, lease or conveyance to which any Significant Subsidiary that is also a Guarantor is a party and such Guarantor is not the surviving person, the resulting, surviving or transferee Person (the "**Successor Guarantor**") shall be a Person organized under the laws of the United States of America, any State thereof or the District of Columbia, and the Successor Guarantor shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, all of the obligations of the Guarantor under the Guarantee and this Indenture.

Section 4.02. *Successor Corporation.* In case of any consolidation, merger, sale or conveyance to which the Company is a party and in which the Company is not the surviving corporation, and following an assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein. Such successor corporation may cause to be signed, and may issue either in its own name or in the name of the Company prior to such succession any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Notes which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Company or any successor corporation which shall theretofore have become such in the manner described in this Article shall be discharged from all obligations and covenants under this Indenture and the Notes and may be liquidated and dissolved.

Section 4.03. *Opinion of Counsel to Trustee.* The Trustee, subject to the provisions of Sections 7.01 and 7.02, shall receive an Opinion of Counsel, prepared in accordance with Section 11.04, as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and

any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE 5
OPTIONAL REDEMPTION OF NOTES

Section 5.01. *Optional Redemption by the Company.* The Notes may be redeemed at any time as a whole or from time to time in part, subject to the conditions and at the Redemption Prices specified in the form of Notes set forth in Exhibit A hereto, which is hereby incorporated by reference and made a part of this Indenture, together with accrued and unpaid interest to the Redemption Date.

Section 5.02. *Applicability of Article.* Redemption of Notes at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article 5.

Section 5.03. *Election to Redeem; Notice to Trustee.* The election of the Company to redeem any Notes pursuant to Section 5.01 hereof shall be evidenced by a resolution of the Board of Directors of the Company. In case of any redemption at the election of the Company, the Company shall, upon not later than the earlier of the date that is at least 30 days but not more than 60 days prior to the Redemption Date fixed by the Company or the date on which notice is given to the Holders (except as provided in Section 5.05 hereof or unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Notes to be redeemed and shall deliver to the Trustee such documentation and records as shall enable the Trustee to select the Notes to be redeemed pursuant to Section 5.04 hereof.

Section 5.04. *Selection by Trustee of Notes to Be Redeemed.* If less than all the Notes are to be redeemed at any time pursuant to an optional redemption, the particular Notes to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the outstanding Notes not previously called for redemption, in compliance with the requirements of the principal securities exchange, if any, on which such Notes are listed, or, if such Notes are not so listed, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of the Notes; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than $2,000.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of such Note which has been or is to be redeemed.

Section 5.05. *Notice of Redemption*. Notice of redemption shall be given in the manner provided for in Section 11.02 hereof not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed. The Trustee shall give notice of redemption in the Company's name and at the Company's expense; *provided, however*, that the Company shall deliver to the Trustee, at least 15 days prior to the date the notice of redemption is to be given (unless a shorter period shall be acceptable to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the following items.

All notices of redemption shall state:

(1) the Redemption Date,

(2) the Redemption Price and the amount of accrued interest to the Redemption Date payable as provided in Section 5.07 hereof, if any,

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

(4) in case any Note is to be redeemed in part only, the notice which relates to such Note shall state that on and after the Redemption Date, upon surrender of such Note, the Holder will receive, without charge, a new Note or Notes of authorized denominations for the principal amount thereof remaining unredeemed,

(5) that on the Redemption Date the Redemption Price (and accrued interest, if any, to the Redemption Date payable as provided in Section 5.07 hereof) will become due and payable upon each such Note, or the portion thereof, to be redeemed, and, unless the Company defaults in making the redemption payment, that interest on Notes called for redemption (or the portion thereof) will cease to accrue on and after said date,

(6) the place or places where such Notes are to be surrendered for payment of the Redemption Price and accrued interest, if any,

(7) the name and address of the Paying Agent,

(8) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price, and

(9) the CUSIP or ISIN number, and that no representation is made as to the accuracy or correctness of the CUSIP or ISIN number, if any, listed in such notice or printed on the Notes.

Section 5.06. *Deposit of Redemption Price.* Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 2.04 hereof) an amount of money sufficient to pay the Redemption Price of, and accrued interest on, all the Notes which are to be redeemed on that date.

Section 5.07. *Notes Payable on Redemption Date.* Notice of redemption having been given as aforesaid, the Notes to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified (together with accrued interest, if any, to the Redemption Date), and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Notes shall cease to bear interest. Upon surrender of any such Note for redemption in accordance with said notice, such Note shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

Section 5.08. *Notes Redeemed in Part.* Any Note which is to be redeemed only in part (pursuant to the provisions of this Article 5) shall be surrendered at the office or agency of the Company maintained for such purpose pursuant to Section 2.03 hereof (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Note at the expense of the Company, a new Note or Notes, of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered, *provided* that each such new Note will be in a principal amount of $2,000 or integral multiple of $1,000. Notwithstanding the foregoing, DTC shall select the Notes for redemption if evidenced by a Global Note according to DTC's stated procedures therefor.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01. *Events of Default.* An "**Event of Default**" occurs if:

(1) the Company defaults in any payment of interest or additional interest (as required by the Registration Rights Agreement) on any Note when due, and such default continues for a period of 30 days;

(2) the Company defaults in the payment of the principal of, or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon declaration of acceleration or otherwise;

(3) the Company, Holdings or any Subsidiary Guarantor fails to comply with its covenants under this Indenture (other than those referred to in (1) and (2) above) and such failure continues for 60 days after written notice from the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes;

(4) the Company, Holdings or any of their Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness for borrowed money, including obligations evidenced by any mortgage, indenture, bond, debenture, note, guarantee or other similar instruments to which it is a party, on the scheduled or original due date with respect thereto; (ii) fail to pay interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, the effect of which default or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its Stated Maturity or (in the case of any such Indebtedness constituting a guarantee) to become payable, and such acceleration has not been cured within 15 days after notice of acceleration; *provided*, however, that an event described in subclause (i), (ii) or (iii) of this paragraph (4) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in subclauses (i), (ii) and (iii) of this paragraph (4) shall have occurred and be continuing with respect to such Indebtedness in an amount exceeding $20,000,000;

(5) (i) Holdings, the Company or any Significant Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution,

composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Company or any Significant Subsidiary shall make a general assignment for the benefit of its creditors; (ii) there shall be commenced against Holdings, the Company or any Significant Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; (iii) there shall be commenced against Holdings, the Company or any Significant Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distrait or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; (iv) Holdings, the Company or any Significant Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Company or any Significant Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The Company shall deliver to the Trustee, within 10 days after becoming aware of the occurrence thereof, written notice in the form of an Officers' Certificate of any Default or Event of Default under clauses (3), (4) or (5) of this Section 6.01, which such notice shall contain the status thereof and a description of the action being taken or proposed to be taken by the Company in respect thereof.

Section 6.02. *Acceleration.* If an Event of Default occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of and premium, if any, and accrued and unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal, premium, if any, and accrued and unpaid interest shall be due and payable immediately. If an Event of Default described in paragraph (5) of Section 6.01 hereof occurs and is continuing, then in each and every such case, the principal amount of and the premium, if any, and all accrued and unpaid interest shall be due and payable immediately without any declaration or other act on the part of the Trustee or the Holders. The Holders of a majority in aggregate principal amount of the outstanding Securities by notice to the Trustee and the Company may rescind any declaration of acceleration if the rescission would not conflict with any judgment or decree, and if all existing Events of Default have

been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

Section 6.03. *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and premium, if any, or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 6.04. *Waiver of Past Defaults.* The Holders of a majority in aggregate principal amount of the outstanding Notes by notice to the Trustee may (a) waive, by their consent (including, without limitation consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an existing Default or Event of Default and its consequences except (i) a Default or Event of Default in the payment of the principal of and premium, if any, or interest on a Note or (ii) a Default or Event of Default in respect of a provision that under Section 9.02 hereof cannot be amended without the consent of each Noteholder affected and (b) rescind any such acceleration with respect to the Notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the nonpayment of the principal of and premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived. When a Default or Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any consequent right. In case of any such waiver, the Company, the Trustee and the Holders shall be restored to their former positions and rights hereunder and under the Notes, respectively.

Section 6.05. *Control by Majority.* The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01 and Section 7.02 hereof, that the Trustee determines is prejudicial to the rights of other Noteholders or would involve the Trustee in personal liability; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

Section 6.06. *Limitation on Suits.* Subject to Section 6.07 hereof, a Noteholder may not pursue any remedy with respect to this Indenture or the Notes unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

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

(3) such Holder or Holders offer to the Trustee reasonable security or indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;

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

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

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

Section 6.07. *Rights of Holders to Receive Payment.* Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.06 hereof), the right of any Holder to receive payment of principal of and premium, if any, or interest on the Notes held by such Holder, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. *Collection Suit by Trustee.* If an Event of Default specified in Section 6.01(1) or (2) hereof occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 6.07 hereof, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. *Trustee May File Proofs of Claim*. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Noteholders allowed in any judicial proceedings relative to the Company, any Guarantor, any of the Subsidiaries or their respective creditors or properties and, unless prohibited by law or applicable regulations,

may be entitled and empowered to participate as a member of any official committee of creditors appointed in such matter and, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07 hereof.

Section 6.10. *Priorities.* If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.07 hereof;

SECOND: to Noteholders for amounts due and unpaid on the Notes for principal and premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Company.

The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section 6.10. At least 15 days before such record date, the Company shall mail to each Noteholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 6.11. *Undertaking for Costs.* In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Company, a suit by a Holder pursuant to Section 6.07 hereof or a suit by Holders of more than 10% in outstanding principal amount of the Notes.

ARTICLE 7
TRUSTEE

Section 7.01. *Duties of Trustee.* (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of

such Person's own affairs; *provided* that if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to it against loss, liability or expense.

Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

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

(1) this paragraph does not limit the effect of the second paragraph of Section 7.01(a);

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(c) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs Section 7.01(a) and (b) hereof.

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

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

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall

have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.01 and to the provisions of the Trust Indenture Act.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security or indemnity or security reasonably satisfactory to it against any loss, liability or expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

(j) In the absence of bad faith, negligence or willful misconduct on the part of the Trustee, the Trustee shall not be responsible for the application of any money by any Paying Agent other than the Trustee.

Section 7.02. *Rights of Trustee.* Subject to Section 7.01 hereof:

(a) The Trustee may conclusively rely on any document (whether in its original or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document. The Trustee shall receive and retain financial reports and statements of the Company as provided herein, but shall have no duty to review or analyze such reports or statements to determine compliance under covenants or other obligations of the Company;

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officers' Certificate or Opinion of Counsel;

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

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

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel;

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

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

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

(i) The Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture.

(j) The Trustee's rights, powers, indemnities, immunities and protections from liability and its rights to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to (1) the Trustee, whether serving in any other capacity hereunder, including without limitation, in the capacity of Paying Agent or Registrar and (2) the Trustee's officers, directors, agents, counsel and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Notes.

(k) The Trustee shall have no responsibility for any information in any offering document or other disclosure material distributed with respect to any series of Notes, and the Trustee shall have no responsibility for compliance with any state or federal securities laws

in connection with the Notes, other than the filing of any documents required to be filed by an indenture trustee pursuant to the Trust Indenture Act or otherwise required in the Indenture.

(l) Notwithstanding anything else herein contained, whenever any provision of this Indenture indicates that any confirmation of a condition or event is qualified by the words "to the knowledge of" or "known to" the Trustee or other words of similar meaning, said words shall mean and refer to the current awareness of one or more Trust Officers who are located at the Corporate Trust Office of the Trustee or who are otherwise responsible for administering the trusts created under this Indenture.

(m) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate (including any Officers' Certificate), statement, instruction, opinion (including any Opinion of Counsel), notice, request, direction, consent, order, bond, debenture or other paper or document.

(n) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as duties.

Section 7.03. *Individual Rights of Trustee.* The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Section 7.10 and Section 7.11 hereof.

Section 7.04. *Trustee's Disclaimer.* The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, shall not be accountable for the Company's use of the proceeds from the Notes, shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee and shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 7.05. *Notice of Defaults.* If a Default or Event of Default occurs and is continuing and if a Trust Officer has actual knowledge thereof, the Trustee shall mail to each Noteholder at the address set forth in the Note Register notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of and premium, if any, or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note, if any), the Trustee may withhold the notice if and so long as the Trustee's Board of Directors or an executive committee thereof or a trust committee of its directors and/or officers in

good faith determines that withholding the notice is in the interests of Noteholders.

Section 7.06. *Report by Trustee to Holders.* Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and in any event prior to August 15 in each year, the Trustee shall mail to each Noteholder a brief report dated as of such May 15 that complies with Trust Indenture Act, Section 313(a), but only if required under such Section. The Trustee also shall comply with Trust Indenture Act, Section 313(b). The Trustee shall also transmit by mail all reports required by Trust Indenture Act, Section 313(c).

Following the issuance of any Exchange Notes, a copy of each report at the time of its mailing to Noteholders shall be filed with the SEC and each stock exchange (if any) on which the Notes are listed. The Company agrees to notify promptly the Trustee whenever the Notes become listed on any stock exchange and of any delisting thereof.

Section 7.07. *Compensation and Indemnity.* The Company shall pay to the Trustee such compensation for its acceptance of this Indenture and for its services hereunder as Trustee, Paying Agent, Registrar and in all other capacities in which it is serving hereunder as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to Noteholders and reasonable costs of counsel retained by the Trustee, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Company shall indemnify the Trustee, and any predecessor Trustee and their respective officers, directors, employees, counsel and agents, against any and all loss, liability, damages, claims or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence or willful misconduct on its part in connection with the administration of this trust or the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this Section 7.07) and of defending itself against any claims (whether asserted by any Noteholder, the Company or otherwise). The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee may have separate counsel and the Company shall pay the fees and expenses of such counsel, *provided* that the Company shall not be required to pay such fees and expenses if it assumes the obligation for defending the Trustee, and, in the reasonable judgment of the Trustee, there is no conflict of interest between the Company and the Trustee in connection with such action and there is no defense that could not be adequately

raised if the Company assumes such obligation. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and premium, if any, and interest on particular Notes. Such lien shall survive the satisfaction and discharge of this Indenture. The Trustee's right to receive payment of any amounts due under this Section 7.07 shall not be subordinate to any other liability or Indebtedness of the Company.

The Company's payment obligations pursuant to this Section 7.07 shall survive the discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(5) hereof with respect to the Company, the expenses are intended to constitute expenses of administration under any bankruptcy law.

Section 7.08. *Replacement of Trustee.* The Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged bankrupt or insolvent;

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

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of the Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Noteholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07 hereof.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Notes may petition, at the Company's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

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

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

Section 7.09. *Successor Trustee by Merger.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion, consolidation or transfer of assets to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee.

Section 7.10. *Eligibility; Disqualification.* The Trustee shall at all times satisfy the requirements of Trust Indenture Act, Section 310(a). The Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent filed annual report of condition. The Trustee shall comply with Trust Indenture Act, Section 310(b); *provided, however*, that there shall be excluded from the operation of Trust Indenture Act, Section 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in Trust Indenture Act, Section 310(b)(1) are met.

Section 7.11. *Preferential Collection of Claims Against Company.* The Trustee shall comply with Trust Indenture Act, Section 311(a), excluding any creditor relationship listed in Trust Indenture Act, Section 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act, Section 311(a) to the extent indicated.

ARTICLE 8
DISCHARGE OF INDENTURE; DEFEASANCE

Section 8.01. *Discharge of Liability on Notes; Defeasance.* (a) Subject to Section 8.01(b) hereof, when (i)(A) the Company delivers to the Trustee all outstanding Notes (other than Notes replaced pursuant to Section 2.09 hereof) for cancellation or (B) all outstanding Notes not theretofore delivered for cancellation have become due and payable, whether at maturity or upon redemption or will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Company and the Company or any Guarantor irrevocably deposits or causes to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders money in U.S. dollars, non-callable U.S. Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire Indebtedness on such Notes not theretofore delivered to the Trustee for cancellation for principal and premium, if any, and accrued interest to the date of maturity or redemption, (ii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound; (iii) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture and the Notes; and (iv) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of such Notes at maturity or the Redemption Date, as the case may be, then the Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company (accompanied by an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent specified herein relating to the satisfaction and discharge of this Indenture have been complied with) and at the cost and expense of the Company.

(b) Subject to Section 8.01(c) and Section 8.02 hereof, the Company at any time may terminate (i) all its obligations under the Notes and this Indenture ("**legal defeasance option**"), and after giving effect to such legal defeasance, any omission to comply with such obligations shall no longer constitute a Default or Event of Default or (ii) its obligations under, Section 3.02, Section 3.03, Section 3.08 or Section 3.09 hereof, and the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document, and the operation of Section 6.01(3) (only with respect to the covenants terminated pursuant to this Section 8.01(b)(ii)), Section 6.01(4) and Section 6.01(5) hereof, and the events specified in such Sections shall no longer constitute an Event of Default (clause (ii) being referred to as the "**covenant defeasance option**"), but

except as specified above, the remainder of this Indenture and the Notes shall be unaffected thereby. The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its covenant defeasance option, the Company may elect to have the Guarantee terminate.

If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default, and the Guarantee shall terminate. If the Company exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Section 6.01(3) (only with respect to the covenants terminated pursuant to Section 8.01(b)(ii) above), Section 6.01(4) and Section 6.01(5) hereof.

Upon satisfaction of the conditions set forth herein and upon request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding the provisions of Section 8.01(a) and (b) hereof, the Company's obligations in Section 2.02, Section 2.03, Section 2.04, Section 2.05, Section 2.06, Section 2.09, Section 2.10, Section 2.11, Section 2.12, Section 3.01, Section 3.04, Section 3.05, Section 3.06, Section 3.07, Section 3.10, Section 3.11, Section 3.12, Section 3.13, Section 6.07, Section 7.07, Section 7.08 hereof and in this Article 8 shall survive until the Notes have been paid in full. Thereafter, the Company's obligations in Section 7.07, Section 8.04 and Section 8.05 hereof shall survive.

Section 8.02. *Conditions to Defeasance.* The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Company irrevocably deposits in trust with the Trustee for the benefit of the Holders money in U.S. dollars or U.S. Government Securities or a combination thereof for the payment of principal of and premium, if any, and interest on the Notes to maturity or redemption, as the case may be;

(2) the Company delivers to the Trustee a certificate from a firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Securities plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Notes to maturity or redemption, as the case may be;

(3) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or, with respect to certain bankruptcy or insolvency Events of Default, on the 91st day after such date of deposit;

(4) such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, this Indenture or any other material agreement or instrument to which the Company, any Guarantor or any of

its Subsidiaries is a party or by which the Company, any Guarantor or any of its Subsidiaries is bound;

(5) the Company shall have delivered to the Trustee an Opinion of Counsel (subject to customary assumptions and exclusions) to the effect that (A) the Notes and (B) assuming no intervening bankruptcy of the Company between the date of deposit and the 91st day following the deposit and that no Holder of the Notes is an insider of the Company, after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' right generally;

(6) the deposit does not constitute a default under any other agreement binding on the Company;

(7) the Company delivers to the Trustee an Opinion of Counsel (subject to customary assumptions and exclusions) to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940, as amended;

(8) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel (subject to customary assumptions and exclusions) in the United States stating that (i) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(9) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel (subject to customary assumptions and exclusions) in the United States to the effect that the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and covenant defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and covenant defeasance had not occurred; and

(10) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes and this Indenture as contemplated by this Article 8 have been complied with.

Section 8.03. *Application of Trust Money.* The Trustee shall hold in trust money or U.S. Government Securities deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from U.S. Government Securities through the Paying Agent and in accordance with this Indenture to the payment of principal of and premium, if any, and interest on the Notes.

Section 8.04. *Repayment to Company.* The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal of and premium, if any, or interest on the Notes that remains unclaimed for two years, and, thereafter, Noteholders entitled to the money must look to the Company for payment as general creditors.

Section 8.05. *Indemnity for U.S. Government Securities.* The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Securities or the principal and interest received on such U.S. Government Securities.

Section 8.06. *Reinstatement.* If the Trustee or Paying Agent is unable to apply any money or U.S. Government Securities in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Company under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Securities in accordance with this Article 8; *provided, however*, that, if the Company has made any payment of interest on or principal of any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Securities held by the Trustee or Paying Agent.

The Trustee's rights under this Article 8 shall survive termination of this Indenture and the resignation or removal of the Trustee.

ARTICLE 9
AMENDMENTS

Section 9.01. *Without Consent of Holders.* The Company, any Guarantor and the Trustee may modify or amend this Indenture or the Notes without notice to or consent of any Noteholder:

(a) to cure any ambiguity, omission, defect or inconsistency;

(b) to provide for successor Guarantors or otherwise comply with the provisions of Article 4 herein;

(c) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided, however*, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code;

(d) to add additional guarantees with respect to the Notes;

(e) to secure the Notes;

(f) to add to the covenants of the Company or any Guarantor for the benefit of the Holders or to surrender any right or power herein conferred upon the Company or any Guarantor;

(g) to make any change that does not adversely affect the interests of any Noteholder;

(h) to provide for the issuance of the Exchange Notes, which will have terms substantially identical in all material respects to the Notes (except that the transfer restrictions contained in the Notes will be modified or eliminated, as appropriate), and which will be treated, together with any outstanding Notes, as a single issue of securities; or

(i) to comply with any requirement of the SEC in connection with the qualification of this Indenture under the Trust Indenture Act.

After an amendment under this Section 9.01 becomes effective, the Company shall mail to Noteholders a notice briefly describing such amendment. The failure to give such notice to all Noteholders at the address set forth in the Note Register, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

Section 9.02. *With Consent of Holders.* The Company, any Guarantor and the Trustee may amend this Indenture or the Notes without notice to any Noteholder but with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without the consent of each Noteholder affected, no amendment may:

(a) reduce the amount of Notes whose Holders must consent to an amendment of this Indenture or the Notes;

(b) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(c) reduce the principal of or change the Stated Maturity of any Note;

(d) reduce the amount payable upon the redemption of any Note, as described above under Article 5 hereof or any similar provision, whether through an amendment to or waiver of Article 5 hereof, a definition or otherwise;

(e) make any Note payable in money other than that stated in the Note;

(f) impair the right of any Holder to receive payment of principal of and premium, if any, and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(g) make any change in the amendment provisions which require each Holder's consent or in the waiver provisions; or

(h) release any of the Guarantors or modify the Guarantees other than in accordance with the provisions of this Indenture.

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

After an amendment under this Section 9.02 becomes effective, the Company shall mail to Noteholders a notice briefly describing such amendment. However, the failure to give such notice to all Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

Section 9.03. *Compliance with Trust Indenture Act.* Every amendment to this Indenture or the Notes shall comply with the Trust Indenture Act as then in effect.

Section 9.04. *Revocation and Effect of Consents and Waivers.* A consent to an amendment or a waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective or otherwise in accordance with any related solicitation documents. After an amendment or waiver becomes effective, it shall bind every Noteholder. An amendment or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.01 or 9.02 hereof, as applicable.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Noteholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this

Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Noteholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall become valid or effective more than 120 days after such record date.

Section 9.05. *Notation on or Exchange of Notes.* If an amendment changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment.

Section 9.06. *Trustee to Sign Amendments.* The Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, protections, privileges, indemnities, powers, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall be provided with, and (subject to Sections 7.01 and 7.02 hereof), shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture, that it conforms to the applicable requirements of the Trust Indenture Act and that such amendment is the legal, valid and binding obligation of the Company and any Guarantors, enforceable against them in accordance with its terms, subject to customary exceptions and complies with the provisions hereof (including Section 9.03 hereof).

ARTICLE 10
GUARANTEE

Section 10.01. *Guarantee.* Each Guarantor hereby fully, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to each Holder of the Notes and the Trustee the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the principal of and premium, if any, and interest on the Notes and all other obligations of the Company under this Indenture, including, without limitation, the obligations of the Company under Section 7.07 hereof (all the foregoing being hereinafter collectively called the "**Obligations**"). Each Guarantor further agrees (to the extent permitted by law) that the Obligations may be extended or renewed, in whole or in part, without notice or further assent from it, and that it will remain bound under this Article 10 notwithstanding any extension or renewal of any Obligation.

Each Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Obligations. The obligations of each Guarantor hereunder shall not be affected by (a) the failure of the Trustee or any Holder to assert any claim or demand or to enforce any right or remedy against the Company or any other person under this Indenture, the Notes or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Obligations or any of them; or (e) any change in the ownership of the Company.

Each Guarantor further agrees that the Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Obligations.

The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the Obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by 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 each Guarantor or would otherwise operate as a discharge of each Guarantor as a matter of law or equity.

Each Guarantor further agrees that the Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of and premium, if any, or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay any of the Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid amount of such

Obligations then due and owing and (ii) accrued and unpaid interest on such Obligations then due and owing (but only to the extent not prohibited by law).

Each Guarantor further agrees that, as between each Guarantor, on the one hand, and the Holders, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of the Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby and (y) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by each Guarantor for the purposes of this Guarantee.

Each Guarantor also agrees to pay any and all reasonable costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or the Holders in enforcing any rights under this Section.

Section 10.02. *No Subrogation.* Notwithstanding any payment or payments made by any Guarantor hereunder, no Guarantor shall be entitled to be subrogated to any of the rights of the Trustee or any Holder against the Company or any collateral security or guarantee or right of offset held by the Trustee or any Holder for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company in respect of payments made by such Guarantor hereunder, until all amounts owing to the Trustee and the Holders by the Company on account of the Obligations are paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Trustee in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Trustee, if required), to be applied against the Obligations.

Section 10.03. *Consideration.* Each Guarantor has received, or will receive, direct or indirect benefits from the making of the Guarantee.

Section 10.04. *Additional Amounts.* In the event that payments are made by any Guarantor pursuant to its obligations under this Article, such Guarantor will pay to the Holder of any Note additional amounts as may be necessary so that every net payment made by such Guarantor of the principal of and premium, if any, and interest on such Note, after deducting or withholding for or on account of any present or future tax, duty, fee, assessment or other governmental charge duly imposed by, and payable by that Holder to, any foreign jurisdiction, will not be less than the amount provided in that Note to be then due and payable. No Guarantor will be required, however, to make any payment of additional amount for or on account of any such tax imposed by reason of the Holder having some connection with any such jurisdiction other than its participation as Holder.

Section 10.05. *Additional Guarantors.* After the date on which a Person (whether previously existing or created or acquired by the Company) becomes a Subsidiary Guarantor, the Company will execute and deliver and cause such Person to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will unconditionally guarantee, on a joint and several basis with the other Guarantors, the full and prompt payment of the principal of, premium, if any, and interest on the Notes on an unsecured and unsubordinated basis and become a party to this Indenture as a Guarantor for all purposes of the Indenture.

ARTICLE 11
MISCELLANEOUS

Section 11.01. *Trust Indenture Act Controls.* If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the Trust Indenture Act, the provision required by the Trust Indenture Act shall control. Each Guarantor in addition to performing its obligations under the Guarantee shall perform such other obligations as may be imposed upon it with respect to this Indenture under the Trust Indenture Act.

Section 11.02. *Notices.* Any notice or communication shall be in writing and (a) delivered in person, (b) sent by a recognized overnight delivery service (with charges prepaid), or (c) sent by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), addressed as follows:

If to the Company or any Subsidiary Guarantor:

Ethan Allen Global, Inc.
Ethan Allen Drive
Danbury, CT 06811
Attention: Pamela A. Banks
Vice President, General Counsel and Secretary
Telephone: 203-743-8496
Facsimile: 203-743-8254

if to the Trustee:

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, MA 02110
Attention: Corporate Trust Services
Telephone: 617-603-6576
Facsimile: 617-603-6668

The Company or any Subsidiary Guarantor, on the one hand, or the Trustee, on the other hand, by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a registered Noteholder shall be mailed by first class mail to the Noteholder at the Noteholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders. If a notice or communication is sent in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee shall be effective only upon receipt.

Section 11.03. *Communication by Holders with Other Holders.* Noteholders may communicate pursuant to Trust Indenture Act, Section 312(b) with other Noteholders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of Trust Indenture Act, Section 312(c).

Section 11.04. *Certificate and Opinion as to Conditions Precedent.* Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

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

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 11.05. *Statements Required in Certificate or Opinion.* Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

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

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an

informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving such Opinion of Counsel, counsel may rely as to factual matters on an Officers' Certificate or on certificates of public officials.

Section 11.06. *When Notes Disregarded.* In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or by an Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Trust Officer of the Trustee actually knows are so owned shall be so disregarded. Also, subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

Section 11.07. *Rules by Trustee, Paying Agent and Registrar.* The Trustee may make reasonable rules for action by, or a meeting of, Noteholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 11.08. *Legal Holidays.* A "**Legal Holiday**" is a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York, New York or the city in which the Corporate Trust Office is located. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 11.09. *GOVERNING LAW.* THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 11.10. *No Recourse Against Others.* An incorporator, director, officer, employee, affiliate or stockholder of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company under the Notes, this Indenture or any Guarantee or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes.

Section 11.11. *Successors.* All agreements of the Company in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 11.12. *Consent to Jurisdiction.* The Company and each Guarantor irrevocably submits to the jurisdiction of any New York state or U.S. federal court sitting in the Borough of Manhattan, The City of New York, in any action or proceeding relating to its obligations, liabilities or any other matter arising out of or in connection with this Indenture or the Notes. The Company and each Guarantor hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York state or U.S. federal court. The Company and each Guarantor also hereby irrevocably waives, to the fullest extent permitted by law, any objection to venue or the defense of an inconvenient forum to the maintenance of any such action or proceeding in any such court.

Section 11.13. *Appointment for Agent for Service of Process.* The Company hereby (i) irrevocably designates and appoints its Chief Financial Officer (from time to time) at its principal executive offices at Ethan Allen Drive, Danbury, Connecticut 06811 (the "**Authorized Agent**"), as its agent upon which process may be served in any suit, action or proceeding described in the first sentence of Section 11.12 hereof and represents and warrants that the Authorized Agent has accepted such designation and (ii) each Guarantor agrees that service of process upon the Authorized Agent shall be deemed in every respect effective service of process upon such Guarantor in any such suit or proceeding. The Company further agrees to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of the Authorized Agent in full force and effect so long as any of the Notes shall be outstanding.

Section 11.14. *Waiver of Immunities.* To the extent that the Company, any Guarantor, or any properties, assets or revenues that the Company or any Guarantor may have or may hereafter become entitled to, or have attributed to them, any right of immunity, on the grounds of sovereignty, from any legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, or from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Indenture or the Notes, each Guarantor hereby irrevocably and unconditionally, to the extent permitted by applicable law, waives and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

Section 11.15. *Judgment Currency.* If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder into any currency other than U.S. dollars, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee or any Holder, as the

case may be, could purchase U.S. dollars with such other currency in New York City on the Business Day preceding that on which final judgment is given.

Section 11.16. *No Bankruptcy Petition Against the Borrower; Liability of the Borrower.* Each of the Noteholders and the Trustee hereby covenants and agrees that, prior to the date that is one year and one day after the payment in full of the last maturing Note and all other Indebtedness of the Company ranking equal with or junior to the Notes in right of payment, it will not institute against, or join with or assist any other Person in instituting against, the Company, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any applicable insolvency laws.

Notwithstanding any other provision hereof, the sole remedy of any Noteholder, the Trustee or any other Person against the Company in respect of any obligation, covenant, representation, warranty or agreement of the Company under or related to this Indenture or the Notes shall be against the assets of the Company. Neither the Trustee, nor any Noteholder nor any other Person shall have any claim against the Company to the extent that such assets are insufficient to meet such obligations, covenant, representation, warranty or agreement (the difference being referred to herein as a "**shortfall**") and all claims in respect of the shortfall shall be extinguished; *provided, however*, that the provisions of this Section 11.16 apply solely to the obligations of the Company and shall not extinguish such shortfall or otherwise restrict such Person's rights or remedies against any Guarantor for purposes of the obligations of such Guarantor to any Person under the Guarantee.

The provisions of this Section 11.16 shall survive the termination of this Indenture and the resignation or removal of the Trustee .

Section 11.17. *Multiple Originals.* The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

Section 11.18. *Qualification of Indenture.* The Company shall qualify this Indenture under the Trust Indenture Act in accordance with the terms and conditions of the Registration Rights Agreement and shall pay all reasonable costs and expenses (including attorneys' fees and expenses for the Company, the Trustee and the Holders) incurred in connection therewith, including, but not limited to, costs and expenses of qualification of this Indenture and the Notes and printing this Indenture and the Notes. The Trustee shall be entitled to receive from the Company any such Officers' Certificates, Opinions of Counsel or other documentation as it may reasonably request in connection with any such qualification of this Indenture under the Trust Indenture Act.

Section 11.19. *Table of Contents; Headings.* The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have

been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

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

ETHAN ALLEN GLOBAL, INC.,
as Issuer

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN INTERIORS INC.,
as Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN OPERATIONS, INC.,
as Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN REALTY, LLC,
as Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: President & Chief Executive Officer

ETHAN ALLEN RETAIL, INC.,
as Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President & Chief Executive Officer

LAKE AVENUE ASSOCIATES, INC.,
as Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

MANOR HOUSE, INC.,
as Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ John Brennan

Name: John A. Brennan
Title: Officer

EXHIBIT A

[FORM OF FACE OF NOTE OR EXCHANGE NOTE]

[Depository Legend, if applicable]

[Restricted Notes Legend, if applicable]

No. [___]

Principal Amount $[_____],
as revised by the
Schedule of Increases
and Decreases in Global
Note attached hereto

CUSIP NO. _____
ISIN: _____

5.375% Senior Notes due 2015

Ethan Allen Global, Inc., a Delaware corporation, promises to pay to [_____], or registered assigns, the principal sum of [_____] U.S. Dollars, as revised by the Schedule of Increases and Decreases in Global Note attached hereto, on October 1, 2015.

Interest Payment Dates: April 1 and October 1
Record Dates: March 15 and September 15

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

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

ETHAN ALLEN GLOBAL, INC.

By: _____
Name:
Title:

Each of the undersigned hereby acknowledges its obligation as a Guarantor under the Indenture.

ETHAN ALLEN INTERIORS INC.,
as Guarantor

By: _____
Name:
Title:

ETHAN ALLEN OPERATIONS, INC.,
as Guarantor

By: _____
Name:
Title:

ETHAN ALLEN REALTY, LLC,
as Guarantor

By: _____
Name:
Title:

ETHAN ALLEN RETAIL, INC.,
as Guarantor

By: _____
Name:
Title:

LAKE AVENUE ASSOCIATES, INC.,
as Guarantor

By: _____
Name:
Title:

MANOR HOUSE, INC.,
as Guarantor

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, certifies that this is one of
the Notes referred to in the Indenture.

By:_____
Authorized Signatory

Date: September 27, 2005

[FORM OF REVERSE SIDE OF NOTE OR EXCHANGE NOTE]

5.375% Senior Note due 2015

1. General

Ethan Allen Global, Inc., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), issued the Notes under an Indenture, dated as of September 27, 2005, among the Company, each Guarantor and the Trustee (as such Indenture may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the U.S. Trust Indenture Act of 1939 as in effect on the date of the Indenture (the "Trust Indenture Act"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Noteholders are referred to the Indenture and the Trust Indenture Act for a statement of those terms.

The Notes are general unsecured senior obligations of the Company, including $200,000,000 in aggregate principal amount of Notes being offered on the Issue Date (subject to Section 2.09 of the Indenture). The Notes rank equally with all other unsecured and unsubordinated indebtedness of the Company. This Note is one of the Notes referred to in the Indenture.

The Notes and the Exchange Notes will be treated as a single class of securities under the Indenture. The Indenture includes various covenants that impose certain limitations on, among other things, (i) the incurrence of Liens to secure Indebtedness by Holdings or any Restricted Subsidiary, (ii) Sale and Lease-Back Transactions by Holdings or any Restricted Subsidiary and (iii) consolidations, mergers, amalgamations and sales of assets of Holdings or any Significant Subsidiary.

To guarantee the due and punctual payment of the principal of and premium, if any, and interest on the Notes and all other amounts payable by the Company under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, each Guarantor has unconditionally guaranteed such obligations pursuant to the terms of the Indenture. The Guarantee is an unsecured and unsubordinated obligation of each Guarantor and ranks equally with all other unsecured and unsubordinated indebtedness and obligations of each Guarantor.

2. Interest

The Company promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company will pay interest semi-annually on April 1 and October 1 of each year commencing April 1, 2006. Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from September 27, 2005. The Company shall pay interest on overdue principal or premium, if any, plus interest on such interest to the extent lawful, at the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

3. Method of Payment

By at least 10:00 a.m. (New York City time) on the date on which any principal of and premium, if any, or interest on any Note is due and payable, the Company shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest. The Company will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Except as described in the succeeding two sentences, the principal of and premium, if any, and interest on the Notes shall be payable at the office or agency of the Company maintained for such purpose in The City of New York, or at such other office or agency of the Company as may be maintained for such purpose pursuant to Section 2.03 of the Indenture; *provided, however,* that, at the option of the Company, each installment of interest may be paid by check mailed to addresses of the Persons entitled thereto as such addresses shall appear on the Note Register. Payments in respect of Notes represented by a Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the account specified by The Depository Trust Company. Payments in respect of Notes represented by Definitive Notes (including principal, premium, if any, and interest) held by a Holder of at least $1,000,000 aggregate principal amount of Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than the March 15 or September 15 next preceding the interest payment date (or such other date as the Trustee may accept in its discretion).

4. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "**Trustee**") will act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice to any Noteholder. Holdings, the Company or any other Restricted Subsidiary may act as Paying

Agent, Registrar or co-registrar.

5. Optional Redemption by the Company

The Notes will be redeemable at the option of the Company, in whole at any time or in part from time to time, on at least 30 days but not more than 60 days' prior notice mailed to the registered address of each Holder of Notes to be so redeemed, at a redemption price equal to (a) the greater of (i) 100% of their principal amount to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the date of redemption to the date of maturity (except for currently accrued but unpaid interest) discounted to the date of redemption, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at the applicable Treasury Rate (as defined below), plus twenty basis points (such greater amount, the "Redemption Price"), plus (b) accrued and unpaid interest, if any, to the date of redemption.

For purposes of determining the Redemption Price, the following definitions are applicable:

"**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"**Comparable Treasury Price**" means, with respect to any Redemption Date, (a) the average of five Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"**Independent Investment Banker**" means J.P. Morgan Securities Inc. or, if the foregoing is unwilling or unable to select the applicable Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Company.

"**Reference Treasury Dealer**" means (a) J.P. Morgan Securities Inc. and its successors, *provided, however*, that if the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a "**Primary Treasury Dealer**"), the Company will substitute another Primary Treasury Dealer; and (b) any four other Primary Treasury Dealers selected by the Company after consultation with the Independent Investment Banker.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any Redemption Date, an average, as determined

by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Notes (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, (a) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or (b) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such Redemption Date. The treasury rate will be calculated on the third business day preceding the date fixed for redemption.

In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not listed, then on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate, although no Notes of $2,000 in original principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called for redemption as long as the Company has deposited with the Paying Agent funds in satisfaction of the applicable Redemption Price pursuant to the Indenture.

6. Additional Amounts

The Company and each Guarantor will, subject to certain limitations set forth in the Indenture, pay to the Holder of any Note additional amounts as necessary so that every net payment made by the Company and each Guarantor of principal of and premium, if any, and interest on such Note, after

deducting or withholding for or on account of any present or future tax, duty, fee, assessment or other governmental charge imposed on that Holder by any foreign jurisdiction, will not be less than the amount provided in the Note to be then due and payable.

7. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of principal amount of $2,000 and integral multiples of $1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange (i) any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) for a period beginning 15 days before the mailing of a notice of Notes to be redeemed and ending on the date of such mailing or (ii) any Notes for a period beginning 15 days before an interest payment date and ending on such interest payment date.

8. Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

10. Defeasance

Subject to certain conditions set forth in the Indenture, the Company at any time may terminate some or all of its obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Securities for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

The Indenture or the Notes may be amended with the written consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes; *provided*, *however*, that the consent of each Noteholder affected is required to (i) reduce the amount of Notes whose Holders must consent to an amendment of the Indenture or the Notes, (ii) reduce the stated rate of or extend the stated time for payment of interest on any Note, (iii) reduce the

principal of or change the Stated Maturity of any Note, (iv) reduce the amount payable upon the redemption of any Note, (v) make any Note payable in money other than that stated herein, (vi) impair the right of any Holder to receive payment of principal of and premium, if any, and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes, (vii) make any change in the amendment provisions which require each Holder's consent or in the waiver provisions, or (viii) release any of the Guarantors or modify the Guarantees other than in accordance with the Indenture.

Subject to certain exceptions set forth in the Indenture, without the consent of any Noteholder, the Company and the Trustee may modify or amend the Indenture to, among other things (i) cure any ambiguity, omission, defect or inconsistency, (ii) to provide for successor Guarantors, (iii) provide for uncertificated Notes in addition to or in place of certificated Notes, (iv) add additional guarantees, (v) secure the Notes, (vi) add to the covenants of the Company or any Guarantor for the benefit of the Holders or surrender any right or power conferred on the Company or the Guarantors, (vii) make any change that does not adversely affect the interest of any Noteholder, (viii) provide for the issuance of the Exchange Notes, and (ix) comply with any requirement of the SEC in connection with qualifying the Indenture under the Trust Indenture Act.

Subject to certain exceptions set forth in the Indenture, any default (other than with respect to nonpayment or in respect of a provision that cannot be amended without the written consent of each Noteholder affected) or noncompliance with any provision may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes.

12. Defaults and Remedies

Under the Indenture, Events of Default include (1) default by the Company in any payment of interest or additional interest (as required by the registration rights agreement) on any Note when due, continued for 30 days; (2) default by the Company in the payment of principal of, or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon declaration of acceleration or otherwise; (3) the failure by Holdings, the Company or any Subsidiary Guarantor to comply with its covenants under the Indenture for 60 days after written notice from the Trustee or the holders of 25% or more in aggregate principal amount of the outstanding Notes (other than those referred to in (1) or (2) above); (4) the failure of Holdings, the Company or any of their Subsidiaries (a) to pay the principal of any indebtedness for borrowed money, including obligations evidenced by any mortgage, indenture, bond, debenture, note, guarantee or other similar instruments, on the scheduled or original date due; (b) to pay interest on any such indebtedness beyond any provided grace period; or (c) to observe or perform any agreement or condition relating to such indebtedness, that has caused such indebtedness to become due prior to its stated

maturity and such acceleration has not been cured within 15 days after notice of acceleration; *provided*, however, that an event described in subclause (a), (b) or (c) above shall not constitute an Event of Default unless, at such time, one or more events of the type described in subclauses (a), (b) or (c) shall have occurred or be continuing with respect to indebtedness in an amount exceeding $20,000,000; or (5) certain events of bankruptcy, insolvency or reorganization of Holdings, the Company or any Significant Subsidiary (the "**bankruptcy events**"). However, a default under clause (3) will not constitute an Event of Default until the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes notify the Company or the Guarantor, as the case may be, of the default and the Company or any Guarantor, as the case may be, does not cure such default within the time specified in clause (3) hereof after receipt of such notice.

If an Event of Default other than a bankruptcy event occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes by written notice to the Company to be due and payable immediately. If an Event of Default in connection with a bankruptcy event occurs and is continuing, the principal amount of the Notes, the premium, if any, and all accrued and unpaid interest shall be immediately due and payable without any action or other act on the part of the Trustee or the Holders.

Noteholders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Noteholders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Company

Subject to certain limitations set forth in the Indenture or imposed by the Trust Indenture Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

An incorporator, director, officer, employee, affiliate or stockholder of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company under the Notes, the Indenture or any Guarantee or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each

Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

15. No Petition

By its acquisition of this Note, each Holder hereof agrees that neither it nor the Trustee on its behalf may commence, or join with any other person in the commencement of, a bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding with respect to the Company under any applicable insolvency laws until one year and one date after the Notes and all other indebtedness of the Company ranking equal with or junior to the Notes in right of payment, including all interest and premium thereon, if any, are paid in full.

16. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication appearing on this Note.

17. Abbreviations

Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entirety), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (=Uniform Gift to Minors Act).

18. CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP and/or ISIN numbers to be printed on the Notes and has directed the Trustee to use CUSIP and/or ISIN numbers in notices of redemption as a convenience to Noteholders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. Governing Law

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

The Company will furnish to any Noteholder upon written request and without charge to the Noteholder a copy of the Indenture. Requests may be made to:

Ethan Allen Drive
Danbury, CT 06811
Attention: Pamela A. Banks,
Vice President, General Counsel and Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

_____
(Print or type assignee's name, address and zip code)

_____
(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date:_____ Your Signature:_____

Signature Guarantee:_____
(Signature must be guaranteed)

_____
Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

In connection with any transfer or exchange of any of the Notes evidenced by this certificate occurring prior to the date that is two years after the later of the date of original issuance of such Notes and the last date, if any, on which such Notes were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Notes are being transferred in accordance with their terms and:

[The following is applicable to the Notes (not the Exchange Notes)]

CHECK ONE BOX BELOW:

[ ]	1	acquired for the undersigned's own account, without transfer; or
[ ]	2	transferred to the Company; or
[ ]	3	transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"); or

[ ] 4	transferred pursuant to an effective registration statement under the Securities Act; or
[ ] 5	transferred pursuant to and in compliance with Regulation S under the Securities Act; or
[ ] 6	transferred to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter appears as Section 2.07 of the Indenture); or
[ ] 7	transferred pursuant to another available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided, however*, that if box (5), (6) or (7) is checked, the Trustee or the Company may require, prior to registering any such transfer of the Notes, in their sole discretion, such legal opinions, certifications and other information as the Trustee or the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144 under such Act.

_____
Signature

Signature Guarantee:

_____ _____
(Signature must be guaranteed) Signature

_____

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF (1) OR (3) ABOVE IS CHECKED.

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

_____

Dated:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Securities Custodian
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

[Date]

Ethan Allen Global, Inc.
Ethan Allen Drive
Danbury, CT 06811
Attention: Pamela A. Banks
Vice President, General Counsel and
Secretary

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, MA 02110
Attention: Corporate Trust Services

Re: Ethan Allen Global, Inc.
5.375% Senior Notes due 2015 (the "Notes")

Dear Sirs:

This certificate is delivered to request a transfer of $_____ principal amount of the 5.375% Senior Notes due 2015 (the "Notes") of Ethan Allen Global, Inc. (the "Company").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")) purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Notes, and we are acquiring the Notes not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes and we invest in or purchase securities similar to the Notes in the normal course of our business. We and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is two years after the later of the date of original issue and the last date on which the Company or any affiliate of the Company was the owner of such Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) to the Company, (b) pursuant to a registration statement which has been declared effective under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act ("Rule 144A"), to a person we reasonably believe is a qualified institutional buyer under Rule 144A (a "QIB") that purchases Notes for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is purchasing for its own account or for the account of such an institutional "accredited investor," in each case in a transaction involving a minimum principal amount of Notes of $250,000 or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Company and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Company and the Trustee reserve the right prior to any offer, sale or other transfer prior to the Resale Termination Date of the Notes pursuant to clauses (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Company and the Trustee.

TRANSFEREE:_____

BY:_____

[Date]

Ethan Allen Global, Inc.
Ethan Allen Drive
Danbury, CT 06811
Attention: Pamela A. Banks
Vice President, General Counsel and
Secretary

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, MA 02110
Attention: Corporate Trust Services

Re: Ethan Allen Global, Inc.
5.375% Senior Notes due 2015 (the "Notes")

Ladies and Gentlemen:

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

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

either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S, as applicable; and

the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a distribution compliance period and the provisions of Rule 903(b)(2) or Rule 904(b)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b)(2) or Rule 904(b)(1), as the case may be.

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

Very truly yours,

[Name of Transferor]

By:_____

_____
Authorized Signature

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT dated September 27, 2005 (this "Agreement") by and among Ethan Allen Global, Inc., a Delaware corporation (the "Company"), Ethan Allen Interiors Inc. ("Holdings"), the several Subsidiary Guarantors listed in Schedule 1 hereto (collectively with Holdings, the "Guarantors", and each, a "Guarantor"), and J.P. Morgan Securities Inc. (the "Initial Purchaser").

The Company, the Guarantors and the Initial Purchaser are parties to the Purchase Agreement dated September 22, 2005 (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchaser of $200,000,000 aggregate principal amount of the Company's 5.375% Senior Notes due 2015 (the "Securities"), which will be guaranteed on an unsecured senior basis by each of the Guarantors. As an inducement to the Initial Purchaser to enter into the Purchase Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchaser and their direct and indirect transferees the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. *Definitions*. As used in this Agreement, the following terms shall have the following meanings:

"affiliate" shall have the meaning given to it in Rule 405 under the Securities Act.

"Agreement" shall have the meaning set forth in the preamble.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Closing Date" shall mean the Closing Date as defined in the Purchase Agreement.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors and assigns.

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

"Exchange Dates" shall have the meaning set forth in Section 2(a)(ii) hereof.

"Exchange Offer" shall mean the exchange offer by the Company and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein, all exhibits thereto and any document incorporated by reference therein.

"Exchange Securities" shall mean senior notes issued by the Company and guaranteed by the Guarantors under the Indenture containing terms identical in all material respects to the Securities (except that the Exchange Securities will not be subject to restrictions on transfer or to

any increase in annual interest rate for failure to comply with this Agreement) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"Guarantor" and "Guarantors" shall have the meaning set forth in the preamble and shall also include any Guarantor's successors and assigns.

"Holders" shall mean the Initial Purchaser, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect transferees who become owners of Registrable Securities under the Indenture; *provided*, that for purposes of Sections 4 and 5 hereof, the term "Holders" shall include Participating Broker-Dealers.

"Holdings" shall have the meaning set forth in the preamble and shall also include Holdings' successors and assigns.

"Initial Purchaser" shall have the meaning set forth in the preamble.

"Indemnified Person" shall have the meaning set forth in Section 5(c) hereof.

"Indemnifying Person" shall have the meaning set forth in Section 5(c) hereof.

"Indenture" shall mean the Indenture relating to the Securities dated as of September 27, 2005 among the Company, the Guarantors and U.S. Bank National Association, as trustee, and as the same may be amended, waived or supplemented from time to time in accordance with the terms thereof.

"Inspector" shall have the meaning set forth in Section 3(m) hereof.

"Majority Holders" shall mean the Holders of over 50% of the aggregate principal amount of the then outstanding Registrable Securities; *provided*, that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities owned directly or indirectly by Holdings or any of its affiliates (other than subsequent Holders if such subsequent Holders are deemed to be affiliates solely by reason of their holding of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount.

"Participating Broker-Dealer" shall have the meaning set forth in Section 4(a) hereof.

"Person" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including any document incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities; *provided*, that the Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Securities has been declared effective under the Securities Act and such Securities have been registered, exchanged or disposed of pursuant to such Registration Statement, (ii) when such Securities are eligible to be transferred or sold pursuant to Rule 144(k) (or any similar provision

then in force, but not Rule 144A) under the Securities Act or (iii) when such Securities cease to be outstanding.

"Registration Default" shall have the meaning set forth in Section 2(e) hereof.

"Registration Expenses" shall mean any and all reasonable expenses incident to performance or compliance by the Company and the Guarantors of or with this Agreement, including, without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. registration and filing fees; (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements (not to exceed $10,000) of counsel for any Underwriters or Holders in connection with blue sky qualification of any Exchange Securities or Registrable Securities); (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus and any amendments or supplements thereto, any underwriting agreements, securities sales agreements or other similar agreements and any other documents relating to the performance of and compliance with this Agreement; (iv) all rating agency fees; (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws; (vi) the fees and disbursements of the Trustee and its counsel; (vii) the fees and disbursements of counsel for the Company and the Guarantors and, in the case of a Shelf Registration Statement, the reasonable fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel for the Initial Purchaser); and (viii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or "comfort" letters required by or incident to the performance of and compliance with this Agreement, but excluding fees and expenses of counsel to the Underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"Registration Statement" shall mean any registration statement of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and any document incorporated by reference therein.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities" shall have the meaning set forth in the preamble.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Shelf Effectiveness Period" shall have the meaning set forth in Section 2(b) hereof.

"Shelf Registration" shall mean a registration effected pursuant to Section 2(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company and the Guarantors that covers all the Registrable Securities (but no other securities unless approved by the Holders whose Registrable Securities are to be covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and any document incorporated by reference therein.

"Staff" shall mean the staff of the SEC.

"Subsidiary Guarantors" shall have the meaning set forth in the preamble and shall also include any Subsidiary Guarantor's successors.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended from time to time.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"Underwriter" shall have the meaning set forth in Section 3 hereof.

"Underwritten Offering" shall mean an offering in which Registrable Securities are sold to an Underwriter for reoffering to the public.

Whenever required by the context hereof, all pronouns and any variations thereof will be deemed to refer to the masculine, feminine and neuter, singular and plural.

2. *Registration Under the Securities Act*. (a) *Exchange Registration.* To the extent not prohibited by any applicable law, rule, regulation or order or interpretation of the Staff, the Company and the Guarantors shall use their commercially reasonable efforts to (i) cause to be filed an Exchange Offer Registration Statement covering an offer to the Holders who are not prohibited by any applicable law, rule, regulation or order or interpretation of the Staff from participating in the Exchange Offer to exchange all the Registrable Securities for Exchange Securities and (ii) have such Registration Statement remain effective until 180 days after the closing of the Exchange Offer. The Company and the Guarantors shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement is declared effective by the SEC and use their commercially reasonable efforts to complete the Exchange Offer not later than 60 days after such effective date.

The Company and the Guarantors shall commence the Exchange Offer by mailing the related Prospectus, appropriate letters of transmittal and other accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law, rule, regulation or order, substantially the following:

(i) that the Exchange Offer is being made pursuant to this Agreement and that all Registrable Securities validly tendered and not properly withdrawn will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 Business Days from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest but will not retain any rights under this Agreement;

(iv) that any Holder electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Security, together with the appropriate letters of transmittal, to the institution and at the address (located in the Borough of Manhattan, The City of New York) and in the manner specified in the notice, prior to the close of business on the last Exchange Date; and

(v) that any Holder will be entitled to withdraw its election, not later than the close of business on the last Exchange Date, by sending to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Securities exchanged.

As a condition to participating in the Exchange Offer, a Holder will be required to represent to the Company and the Guarantors that (i) any Exchange Securities to be received by it are being acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any Person to participate in, and is not engaged in and does not intend to engage in, the distribution (within the meaning of the Securities Act) of the Exchange Securities in violation of the provisions of the Securities Act, (iii) it is not an affiliate of the Company or any Guarantor (or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable) and (iv) if such Holder is a broker-dealer, it is receiving Exchange Securities for its own account in exchange for Registrable Securities that were acquired as a result of market-making activities or other trading activities and it will deliver a Prospectus in connection with any resale of such Exchange Securities pursuant to Section 4 hereof.

As soon as practicable after the last Exchange Date, the Company and the Guarantors shall:

(i) accept for exchange Registrable Securities or portions thereof validly tendered and not properly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and deliver to each Holder, Exchange Securities equal in principal amount to the principal amount of the Registrable Securities surrendered by such Holder.

The Company and the Guarantors shall use their commercially reasonable efforts to complete the Exchange Offer as provided above and shall comply in all material respects with the applicable requirements of the Securities Act and other applicable laws, rules, regulations or orders in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate any applicable law, rule, regulation or order or interpretation of the Staff.

(b) *Shelf Registration Statement.* In the event that (i) the Company and the Guarantors determine that the Exchange Offer Registration provided for in Section 2(a) hereof is not available or may not be completed as soon as practicable after the last Exchange Date because it would violate any applicable law, rule, regulation or order or interpretation of the Staff, (ii) the Exchange Offer is not for any other reason completed by March 27, 2006 or (iii) upon completion of the Exchange Offer, and upon the request of the Initial Purchaser, with respect to the Securities not eligible to be exchanged for Exchange Securities in the Exchange Offer and held by such Initial Purchaser following consummation of the Exchange Offer, the Company and the Guarantors shall use their commercially reasonable efforts to (x) cause to be filed as soon as practicable after such determination, date or request, as the case may be, a Shelf Registration Statement providing for the sale of all the Registrable Securities by the Holders thereof and (y) have such Shelf Registration Statement declared effective by the SEC as promptly as practicable after it is filed.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to clause (iii) of the preceding sentence, the Company and the Guarantors shall use their commercially reasonable efforts to file and have declared effective by the SEC both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Securities held by the Initial Purchaser after completion of the Exchange Offer.

The Company and the Guarantors agree to use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the expiration of the period referred to in Rule 144(k) (or any similar rule then in force, but not Rule 144A) under the Securities Act with respect to the Registrable Securities or such shorter period that will terminate when all the Registrable Securities covered by the Shelf Registration Statement (i) have been sold pursuant to the Shelf Registration Statement or (ii) are no longer restricted securities, as defined in Rule 144 under the Securities Act or any successor rule thereof (the foregoing, the "Shelf Effectiveness Period"). The Company and the Guarantors further agree to supplement or amend the Shelf Registration Statement and the related Prospectus, if required by the rules, regulations or instructions applicable to the registration form used by the Company and the Guarantors for such Shelf Registration Statement or by the Securities Act or by any other rules and regulations thereunder for shelf registration or if reasonably requested by the Initial Purchaser or by the Trustee on behalf of the Holders of the Registrable Securities covered by such Shelf Registration Statement with respect to information relating to such Holders, and to use their commercially reasonable efforts to cause any such amendment to become effective and such Shelf Registration Statement and Prospectus to become usable as soon as thereafter practicable. The Company and the Guarantors agree to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) *Expenses.* The Company and the Guarantors shall pay all Registration Expenses in connection with the registration pursuant to Sections 2(a) and 2(b) hereof. Each Holder shall pay all underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) *Effectiveness of Registration Statement.* An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC.

(e) *Registration Defaults.* In the event that either the Exchange Offer is not completed or the Shelf Registration Statement, if required hereby, is not declared effective on or prior to the earlier of (x) March 27, 2006 and (y) 90 days after request by an Initial Purchaser as described in Section 2(b) hereof (the foregoing, a "Registration Default"), the interest rate on the Registrable Securities will be increased by 0.50% per annum for the first 90-day period immediately following the occurrence of such Registration Default and an additional 0.50% per annum (for a total additional rate of 1.00% per annum) following such 90-day period immediately following the occurrence of such Registration Default, in any case until the Exchange Offer is completed or the Shelf Registration Statement, if required hereby, is declared effective by the SEC or the Securities become freely tradable under the Securities Act. Such additional interest rate shall not increase beyond 0.50% per annum during the initial 90-day period or 1.00% per annum after the initial 90-day period in the case of concurrent Registration Defaults during any such period. If the Shelf Registration Statement, if required hereby, has been declared effective and thereafter either ceases to be effective or the Prospectus contained therein ceases to be usable at any time during the Shelf Effectiveness Period, and such failure to remain effective or usable exists for more than 30 days (whether or not consecutive) in any 12-month period, then the interest rate on the Registrable Securities will be increased by 1.00% per annum commencing on the 31st day in such 12-month period and ending on such date that the Shelf Registration Statement has again been declared effective or the Prospectus again becomes usable.

(f) *Remedies.* Without limiting the remedies available to the Initial Purchaser and the Holders, the Company and the Guarantors acknowledge that any failure by the Company or the Guarantors to comply with their obligations under Sections 2(a) and 2(b) hereof may result in material irreparable injury to the Initial Purchaser or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and

that, in the event of any such failure, the Initial Purchaser or any Holder may obtain such equitable relief as may be required to specifically enforce the Company's and the Guarantors' obligations under Sections 2(a) and 2(b) hereof. The liquidated damages set forth above and equitable relief in Section 2(f) hereof shall be the exclusive remedy available to the Holders for each failure by Holdings, the Company or the Guarantors to comply with Sections 2(a) and 2(b) hereof.

3. *Registration Procedures*. In connection with their obligations pursuant to Section 2(a), to the extent applicable, and Section 2(b) hereof, the Company and the Guarantors shall promptly:

(a) prepare and file with the SEC a Registration Statement on the appropriate form under the Securities Act, which form (x) shall be selected by Holdings, (y) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders contemplated by Section 2(b) hereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith; and use their commercially reasonable efforts to cause such Registration Statement to become effective and remain effective for the applicable period in accordance with Section 2 hereof; *except,* that, notwithstanding the foregoing, Holdings may suspend the effectiveness of the Shelf Registration Statement (or the use of the related Prospectus) by written notice to the Holders in accordance with this Section 3 hereof.

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period in accordance with Section 2 hereof and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act; and keep each Prospectus current during the period described in Section 4(3) of and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchaser, to counsel for such Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto, as may be reasonably requested during the Shelf Effectiveness Period, in order to facilitate the sale or other disposition of the Registrable Securities thereunder; and the Company and the Guarantors consent to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law, rules, regulations and orders by each of the selling Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus or any amendment or supplement thereto in accordance with applicable law, rules, regulations and orders;

(d) use commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions in the United States as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing within a reasonable time before the applicable Registration Statement is expected to be declared effective by the SEC; cooperate with such Holders in connection with any filings required to be made with the National Association of Securities Dealers, Inc.; and do any and all other acts and things that may be reasonably necessary or advisable to enable each Holder to offer and sell in each such jurisdiction the Registrable Securities owned by such Holder; *provided*, that neither the Company nor any Guarantor shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general

consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not so subject;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Securities, counsel for such Holders and counsel for the Initial Purchaser promptly and, if requested by any such Holder or counsel, confirm such advice in writing (i) when a Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective, (ii) of any request by the SEC or any state securities authority for amendments or supplements to a Registration Statement or Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company or any Guarantor contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to an offering of such Registrable Securities cease to be true and correct in all material respects or if the Company or any Guarantor receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (v) of the happening of any event during the period a Shelf Registration Statement is effective that requires the Company to make changes in the Registration Statement or the related Prospectus in order to ensure that the Registration Statement or the related Prospectus does not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (vi) of any determination by the Company or any Guarantor that a post-effective amendment to a Registration Statement would be appropriate and (vi) of any determination by Holdings or the Company, in the exercise of their reasonable judgment, that (A) it is not in the best interests of Holdings or the Company to disclose a possible acquisition or business combination or other transaction, business development or event involving the Company or the Guarantors that may require disclosure in the Shelf Registration Statement, or if required to be kept effective after consummation of the Exchange Offer, the Exchange Offer Registration Statement, or (B) obtaining any financial statements relating to an acquisition or business combination required to be included in the Shelf Registration Statement, or if required to be kept effective after consummation of the Exchange Offer, the Exchange Offer Registration Statement, would be impracticable;

(f) use their commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest practicable moment and provide prompt notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities included within the Shelf Registration, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without any documents incorporated therein by reference or exhibits thereto, unless requested);

(h) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be issued in such denominations and registered in such names (consistent with the provisions of the Indenture) as the selling Holders may reasonably request at least one Business Day prior to the closing of any sale of Registrable Securities;

(i) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(e)(v) hereof, use their commercially reasonable efforts to prepare and file with the SEC a post-effective amendment to such Registration Statement or supplement to the related Prospectus or any document incorporated therein by reference or file any other

required document so that, as thereafter delivered to purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and shall notify the Holders of Registrable Securities to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event (and such Holders hereby agree to suspend use of the Prospectus until the Company and the Guarantors have amended the Registration Statement or supplemented the Prospectus to correct such misstatement or omission);

(j) at least five Business Days prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or of any document that is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial Purchaser and their counsel (and, in the case of a Shelf Registration Statement, to the Holders of Registrable Securities and their counsel) and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Initial Purchaser or their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) available for discussion of such document for a period of at least five Business Days and shall include such

information in such document prior to the filing thereof as the Initial Purchaser, the Holders, any Participating Broker-Dealers or their respective counsel reasonably may request within such five Business Day period, *provided*, *however*, that (x) the information gathering contemplated by this paragraph shall be coordinated by one counsel chosen by the Initial Purchaser and (y) each Person receiving any information identified by the Company or any Guarantor as being confidential or proprietary shall take such actions as are reasonably necessary to protect the confidentiality of such information;

(k) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement;

(l) cause the Indenture to be qualified under the Trust Indenture Act in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be; cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and execute, and use their commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(m) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of the Registrable Securities (an "Inspector"), any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and attorneys and accountants designated by the Holders, at reasonable times and in a reasonable manner, all pertinent financial and other records, documents and properties of the Company and the Guarantors, and cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested by any such Inspector, Underwriter, attorney or accountant in connection with a Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such Persons to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; *provided*, that neither the Company nor any of the Guarantors shall have any obligation to deliver any information identified by Holdings or the Company as confidential and proprietary pursuant to this Section 3(m) unless the Inspector, Underwriter, attorney or accountant, as the case may be, shall have, if reasonably requested by Holdings, executed and delivered a confidentiality agreement in a form reasonably acceptable to Holdings or the Company relating to such information;

(n) in the case of a Shelf Registration, use their reasonable efforts to cause all Registrable Securities to be listed or quoted on any securities exchange or any automated quotation system on which similar securities issued or guaranteed by the Company or Holdings

are then listed or quoted, if requested by the Majority Holders, to the extent such Registrable Securities satisfy applicable listing or quotation requirements;

(o) if reasonably requested by any Holder of Registrable Securities covered by a Registration Statement, include in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable; and

(p) in the case of a Shelf Registration, enter into such customary agreements (including, if requested, an underwriting agreement in customary form with an underwriter or underwriters reasonably acceptable to Holdings) and take all such other commercially reasonable actions in connection therewith (including those requested by the Holders of a majority in principal amount of the Registrable Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities including, but not limited to, an Underwritten Offering and in such connection, (i) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of Holdings and its subsidiaries, the Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (ii) obtain opinions of counsel to Holdings and its subsidiaries (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Holders and such Underwriters and their respective counsel) addressed to each selling Holder and the Underwriters, if any, of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings, (iii) obtain "comfort" letters from the independent certified public accountants of Holdings (and, if necessary, any other certified public accountant of any subsidiary of Holdings, or of any business acquired by Holdings for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder and Underwriter of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "comfort" letters in connection with underwritten offerings, subject to receipt of appropriate documentation as contemplated by Statement of Auditing Standards No. 72 and (iv) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of Holdings or any Guarantor made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in an underwriting agreement.

In the case of a Shelf Registration Statement, the Company and the Guarantors may require each Holder of Registrable Securities to furnish to the Company and the Guarantors such information regarding such Holder and the proposed disposition by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing for inclusion in the Shelf Registration Statement, and Holdings may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request. Any sale of any Registrable Securities by any Holder shall constitute a representation and warranty by such Holder that the information relating to such Holder and its plan of distribution is as set forth in the Prospectus delivered by such Holder in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of a material fact relating to or provided by such Holder or its plan of distribution and that such Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by such Holder or its plan of distribution necessary to make the statements in such Prospectus, in the light of the circumstances under which they were made, not misleading.

In the case of a Shelf Registration Statement, each Holder of Registrable Securities agrees that, upon receipt of any notice from Holdings or the Company of the happening of any

event of the kind described in Section 3(e)(ii) through 3(e)(vii) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(i) hereof, as applicable, and, if so directed by Holdings or the Company, such Holder will deliver to the Company all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities that is current at the time of receipt of such notice.

If Holdings or the Company shall give any such notice to suspend the disposition of Registrable Securities pursuant to a Registration Statement, Holdings or the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders of such Registrable Securities shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. Holdings or the Company may give any such notice only twice during any 365-day period and any such suspension shall not exceed 30 days for each suspension (or 45 days if such suspension is based upon the happening of an event described in Section 3(e)(v) or 3(e)(vii)) and there shall not be more than two suspensions in effect during any 365-day period.

The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment bank or investment banks and manager or managers (each, an "Underwriter") that will administer the offering will be selected by the Holders of a majority in principal amount of the Registrable Securities included in such offering. Notwithstanding the foregoing, no Person may participate in any Underwritten Offering hereunder unless such Person (i) agrees to sell such Person's Registrable Securities on the basis reasonably provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

4. *Participation of Broker-Dealers in Exchange Offer*. (a) The Staff has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Registrable Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Securities.

The Company and the Guarantors understand that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligation under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

(b) In light of the above, and notwithstanding the other provisions of this Agreement, the Company and the Guarantors agree to use commercially reasonable efforts to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement, as would otherwise be contemplated by Section 3(i), for a period of up to 180 days after the last Exchange Date (as such period may be extended pursuant to the second to last paragraph of Section 3 hereof), if requested by the Initial Purchaser or by one or more Participating Broker-Dealers, in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) hereof. The Company

and the Guarantors further agree that Participating Broker-Dealers shall be authorized to deliver such Prospectus during such period in connection with the resales contemplated by this Section 4.

(c) The Initial Purchaser, in its capacity as such, shall have no liability to the Company, any Guarantor or any Holder with respect to any request that they may make pursuant to Section 4(b) hereof.

5. *Indemnification and Contribution*. (a) The Company and each of the Guarantors, jointly and severally, agree to indemnify and hold harmless each Initial Purchaser and each Holder, their respective affiliates, directors and officers, and each Person, if any, who controls the Initial Purchaser or any Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any Prospectus or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided*, that: (i) neither the Company nor any Guarantor shall be liable in any such case to the extent that such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with information relating to such Holder and furnished to Holdings or the Company in writing by or on behalf of such Holder expressly for use therein; and (ii) with respect to any such untrue statement or omission or alleged untrue statement or omission from any preliminary Prospectus contained in the Shelf Registration Statement, the indemnity agreement contained in this Section 5(a) shall not inure to the benefit of any indemnified Holder or Participating Broker-Dealer to the extent that any such loss, claim, damage or liability of or with respect to such indemnified Holder or Participating Broker-Dealer to any Person results from the fact that both (1) a copy of the final prospectus contained in the Shelf Registration Statement (excluding any documents incorporated by reference therein) was not sent or given to such Person, at or prior to the written confirmation of the sale of such Registrable Securities to such Person, and (2) the untrue statement in or omission from such preliminary Prospectus contained in the Shelf Registration Statement was corrected in such final Prospectus unless, in either case, such failure to deliver the final prospectus contained in the Shelf Registration Statement was a result of non-compliance by the Company and the Guarantors with the provisions of Section 3 hereof. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors, jointly and severally, will also indemnify the Underwriters, if any, Participating Broker-Dealers, their respective affiliates and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each of the Guarantors, the Initial Purchaser and the other selling Holders, their respective affiliates, each of their directors and officers, and each Person, if any, who controls the Company, the Guarantors, the Initial Purchaser and any other selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Holder furnished to the Company or any Guarantor in writing by such Holder expressly for use in any Registration Statement and any Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such Person (the "Indemnified Person") shall promptly notify the Person against whom such indemnification may be sought (the "Indemnifying Person") in writing; *provided*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 5 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 5. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 5 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that (1) the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons; (2) the Indemnifying Person shall only be liable for reasonable fees and expenses; and (3) all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm (x) for the Initial Purchaser, its affiliates, directors and officers and any control Persons of such Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc., (y) for any Holder, its affiliates, directors and officers and any control Persons of such Holder shall be designated in writing by the Majority Holders and (z) in all other cases shall be designated in writing by the Company or any Guarantor. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have (A) reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement or (B) delivered notice to the Indemnified Person of its good faith objection to such claim of indemnification within 30 days after receipt by such Indemnifying Person of such request. No Indemnifying Person shall, without the written consent of the Indemnified Person (which consent shall not be unreasonably withheld), effect any settlement in any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder

by such Indemnified Person, unless such settlement (A) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) (i) in such proportion as is appropriate to reflect the relative benefits received by the Indemnifying Person or Persons, on the one hand, and by the Indemnified Person or Persons, on the other hand, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, rule, regulation or order, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Holders on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Guarantors on the one hand and the Holders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company, the Guarantors and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 5 were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5, in no event shall a Holder be required to contribute any amount in excess of the amount by which the total price at which the Securities or Exchange Securities sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (e), (x) each Person, if any, who controls such Indemnified Person within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such Indemnified Person, and (y) each of the directors and officers of the Company and the Guarantors, and each Person, if any, who controls the Company or any Guarantor within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company or any Guarantor.

(f) The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchaser or any Holder, their respective affiliates or any Person controlling the Initial Purchaser or any Holder, or by or on behalf of the Company or the Guarantors, their respective affiliates or the officers or directors of or any Person controlling the Company or the Guarantors, (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. *General*.

(a) *No Inconsistent Agreements.* The Company and the Guarantors represent, warrant and agree that (i) the rights granted to the Holders hereunder do not in any way conflict

with and are not inconsistent with the rights granted to the holders of any other outstanding securities issued or guaranteed by the Company or any Guarantor under any other agreement in effect on the date hereof and (ii) neither the Company nor any Guarantor has entered into, or on or after the date of this Agreement will enter into, any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof.

(b) *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent; *provided*, that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder. Notwithstanding the foregoing, (1) a waiver or consent to depart from the provisions hereof, with respect to a matter which relates exclusively to the rights of Holders whose securities are being sold pursuant to a Shelf Registration Statement and does not directly or indirectly adversely affect the rights of other Holders, may be given by the Holders of a majority in principal amount of Registrable Securities being sold under such Shelf Registration Statement, and (2) this Agreement may be amended or supplemented without notice to or consent of any Holder to (i) cure any ambiguity or omission or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions contained herein or (ii) add to the covenants of the Company or the Guarantors such further covenants, restrictions or conditions for the benefit of the Holders. Any amendments, modifications, supplements, waivers or consents pursuant to this Section 6(b) shall be by a writing executed by each of the parties hereto.

(c) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail (return receipt requested), facsimile, or courier guaranteeing overnight delivery: (i) if to a Holder, at the most current address given by such Holder to the Company or any Guarantor by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchaser, the address set forth in the Purchase Agreement; (ii) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c); and (iii) to such other Persons at their respective addresses as provided in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c). All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by the recipient's facsimile machine or machine operator, if sent by facsimile; and on the next Business Day, if timely delivered to a courier guaranteeing overnight delivery. Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; *provided*, that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchaser (in their capacity as Initial Purchaser) shall have no liability or obligation to

the Company or the Guarantors with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) *Third Party Beneficiaries.* Each Holder shall be a third party beneficiary to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchaser, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of other Holders hereunder.

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

(g) *Headings.* The headings in this Agreement are for convenience of reference only, are not a part of this Agreement and shall not limit or otherwise affect the meaning hereof.

(h) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(i) *Entire Agreement.* This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto.

(j) *Severability*. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions, covenants and restrictions contained herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Company, the Guarantors and the Initial Purchaser shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, void or unenforceable provisions.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ETHAN ALLEN GLOBAL, INC.

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN INTERIORS INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN OPERATIONS, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

ETHAN ALLEN REALTY, LLC,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: President &
Chief Executive Officer

ETHAN ALLEN RETAIL, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

LAKE AVENUE ASSOCIATES, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

MANOR HOUSE, INC.,
as a Guarantor

By: /s/ M. Farooq Kathwari
Name: M. Farooq Kathwari
Title: Chairman, President &
Chief Executive Officer

Confirmed and accepted as of the date first above writtern:

J.P. MORGAN SECURITIES INC.

As Initial Purchaser

By: /s/ Robert Bottamedi
Robert Bottamedi

Schedule 1

Parent Guarantor

Ethan Allen Interiors Inc.

Subsidiary Guarantors

Ethan Allen Operations, Inc.
Ethan Allen Realty, LLC
Ethan Allen Retail, Inc.
Lake Avenue Associates, Inc.
Manor House, Inc.

EXHIBIT 99.1

FOR RELEASE: SEPTEMBER 28, 2005

Ethan Allen Interiors Inc.
Investor/Media Contact: Peg Lupton
(203) 743-8234

Ethan Allen Completes $200 Million Senior Notes Offering

Danbury, CT (September 28, 2005) – Ethan Allen Interiors Inc. (NYSE: ETH) ("Ethan Allen" or the "Company") today announced the closing of a private offering of ten-year senior notes due 2015. The senior notes, which have been offered by Ethan Allen Global, Inc., a wholly-owned subsidiary of Ethan Allen, have an annual coupon rate of 5.375% with the first semi-annual interest payment due on April 1, 2006. The Company intends to use the net proceeds from this offering to expand its retail network, invest in its manufacturing and logistics operations, and for other general corporate purposes.

The senior notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent such registration or an applicable exemption from the registration requirements of the Securities Act.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the senior notes in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various assumptions, risks and uncertainties, and accordingly, actual results may differ materially from those contemplated by the forward-looking statements. Various risks and uncertainties include but are not limited to: the effects of terrorist attacks or conflicts or wars involving the United States or its allies or trading partners; the effects of labor strikes; weather conditions that may affect sales; volatility in fuel, utility, transportation and security costs; changes in global or regional political or economic conditions, including changes in governmental and central bank policies; changes in business conditions in the furniture industry, including changes in consumer spending patterns and demand for home furnishings; effects of our brand awareness and marketing programs, including changes in demand for our products and acceptance of our new products; our ability to locate new store sites or negotiate favorable lease terms for additional stores or for expansion of existing stores; competitive factors, including changes in the products or marketing efforts of others; pricing pressures; fluctuations in interest rates and the cost, availability and quality of raw materials; those matters discussed in our SEC filings; and future decisions by us. The Company has no obligation to publicly update any forward-looking statements at any time for any reason.