

**Previously paid.

- Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____ Filing Party: _____
Form or Registration No.: _____ Date Filed: _____

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

- Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
 issuer tender offer subject to Rule 13e-4.
 going-private transaction subject to Rule 13e-3.
 amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

SCHEDULE TO/A

This Amendment No. 7 to Tender Offer Statement on Schedule TO relates to the offer by Rent-A-Center, Inc., a Delaware corporation, to purchase up to 2,200,000 shares of its common stock, \$0.01 par value per share, or such lesser number of shares as are properly tendered. Rent-A-Center's offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase dated April 28, 2003, and in the related Letter of Transmittal previously distributed to stockholders, which, as amended and supplemented hereby and as they may be further amended and supplemented from time to time, constitute the tender offer. This Amendment No. 7 amends and supplements the statement on Schedule TO originally filed on April 28, 2003, and amended in certain respects on May 2, May 6, May 9, May 13, May 28 and June 5, 2003. This Amendment No. 7 to Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4 under the Securities Exchange Act of 1934, as amended.

On June 5, 2003, Rent-A-Center announced the extension of the expiration date of the tender offer to 12:00 midnight, New York City time, June 19, 2003, and an increase in the range of purchase prices to not less than \$67.00 per share and not more than \$73.00 per share. The maximum number of shares to be purchased has not changed.

The information contained in the Schedule TO, as amended May 2, May 6, May 9, May 13, May 28, and June 5, 2003, is hereby amended and supplemented by the Supplement to the Offer to Purchase dated June 5, 2003, attached hereto as Exhibit (a)(1)(vii), and the Letter of Transmittal, as amended and supplemented by the Amended Letter of Transmittal, attached hereto as Exhibit (a)(1)(viii), each of which is incorporated herein by reference in answer to Items 1 through 11 in this Amendment to Tender Offer Statement on Schedule TO/A.

Exhibits.

- (a)(1)(i) Offer to Purchase, dated April 28, 2003.
- (a)(1)(ii) Letter of Transmittal.
- (a)(1)(iii) Letter to Stockholders, dated April 28, 2003.
- (a)(1)(iv) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(v) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(vi) Letter to Participants in Our 401(k) Plan.
- (a)(1)(vii) Supplement to the Offer to Purchase, dated June 5, 2003.
- (a)(1)(viii) Amended Letter of Transmittal.
- (a)(1)(ix) Amended Letter to Stockholders, dated June 5, 2003.
- (a)(1)(x) Amended Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(xi) Amended Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(xii) Amended Letter to Participants in Our 401(k) Plan.
- (a)(5)(i) Press Release, dated April 25, 2003, Rent-A-Center, Inc. Announces Plan to Refinance Its Senior Debt and Repurchase Shares.
- (a)(5)(ii) Press Release, dated April 25, 2003, Rent-A-Center, Inc. Announces Plans to Conduct Modified Dutch Auction Tender Offer.
- (a)(5)(iii) Press Release, dated April 28, 2003, Rent-A-Center, Inc. Announces Commencement of Its Modified Dutch Auction Tender Offer.
- (a)(5)(iv) Form of Summary Advertisement.
- (a)(5)(v) Press Release, dated May 1, 2003, Rent-A-Center, Inc. to Issue \$300 Million of Senior Subordinated Notes due 2010 at 7.5% Interest.
- (a)(5)(vi) Press Release, dated May 1, 2003, Rent-A-Center, Inc. Announces Reduction in Senior Term Debt Sought.
- (a)(5)(vii) Press Release, dated May 6, 2003, Rent-A-Center, Inc. Purchases

11% Senior Subordinated Notes Pursuant to Early Tender Provisions of Tender Offer; Closes Offering of 7.5% Senior Subordinated Notes Due 2010.

- (a)(5)(viii) Letter to stockholders of record mailed May 6, 2003.
- (a)(5)(ix) Press Release, dated May 28, 2003, Rent-A-Center, Inc. Announces Refinancing of its Senior Debt.
- (a)(5)(x) Press Release, dated June 5, 2003, Rent-A-Center, Inc. Announces an Increase in the Purchase Price and Extension of Expiration Date Under Its Modified Dutch Auction Tender Offer.

- (b)(1) Indenture, dated as of May 6, 2003, by and among Rent-A-Center, Inc., as Issuer, Rent-A-Center East, Inc., ColorTyme, Inc., and Rent-A-Center Texas, L.L.C., as Guarantors, and the Bank of New York, as Trustee.
- (b)(2) Credit Agreement, dated as of May 28, 2003, among Rent-A-Center, Inc., as Borrower, the several banks and other financial institutions or entities from time to time parties to the Credit Agreement, as Lenders, Morgan Stanley Senior Funding Inc., as documentation agent, JP Morgan Chase Bank and Bear, Stearns & Co. Inc., each as syndication agent, Wachovia Bank, National Association, UBS Warburg LLC, United Overseas Bank and Credit Lyonnais, each as managing agent, and Lehman Commercial Paper Inc., as administrative agent.
- (d)(1) Stock Purchase and Exchange Agreement, dated April 25, 2003, by and among Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P. and Rent-A-Center, Inc.
- (d)(2) Third Amended and Restated Stockholders Agreement, dated as of December 31, 2002, by and among Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P., Mark E. Speese, Rent-A-Center, Inc., and certain other persons.
- (d)(3) Registration Rights Agreement, dated August 5, 1998, by and between Renters Choice, Inc., Apollo Investment Fund IV, L.P., and Apollo Overseas Partners IV, L.P., related to the Series A Convertible Preferred Stock.
- (d)(4) Second Amendment to Registration Rights Agreement, dated as of August 5, 2002, by and among Rent-A-Center, Inc., Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P.
- (d)(5) Third Amendment to Registration Rights Agreement, dated as of December 31, 2002, by and among Rent-A-Center, Inc., Apollo Investment Fund IV, L.P., and Apollo Overseas Partners IV, L.P.
- (d)(6) Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: June 6, 2003

Rent-A-Center, Inc.

By: /s/ Mitchell E. Fadel

Name: Mitchell E. Fadel
Title: President and Chief
Operating Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
(a)(1)(i)*	Offer to Purchase, dated April 28, 2003. (a)
(1)(ii)*	Letter of Transmittal. (a)(1)(iii)*
(a)(1)(iii)*	Letter to Stockholders, dated April 28, 2003. (a)
(1)(iv)*	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other
(1)(v)*	Nominees. (a)
(1)(v)*	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other
(1)(vi)*	Nominees. (a)
(1)(vi)*	Letter to Participants in Our 401(k) Plan. (a)(1)
(vii)**	Supplement to the Offer to Purchase, dated June 5, 2003. (a)(1)
(viii)**	Amended Letter of Transmittal. (a)(1)(ix)**
(a)(1)(ix)**	Amended Letter to Stockholders, dated June 5, 2003. (a)(1)
(x)**	Amended Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other
(1)(xi)**	Nominees. (a)
(1)(xi)**	Amended Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other
(1)(xii)**	Nominees. (a)

Amended
Letter to
Participants
in Our 401(k)
Plan. (a)(5)
(i)* Press
Release,
dated April
25, 2003,
Rent-A-
Center, Inc.
Announces
Plan to
Refinance Its
Senior Debt
and
Repurchase
Shares. (a)
(5)(ii)*
Press
Release,
dated April
25, 2003,
Rent-A-
Center, Inc.
Announces
Plans to
Conduct
Modified
Dutch Auction
Tender Offer.
(a)(5)(iii)*
Press
Release,
dated April
28, 2003,
Rent-A-
Center, Inc.
Announces
Commencement
of Its
Modified
Dutch Auction
Tender Offer.
(a)(5)(iv)*
Form of
Summary
Advertisement.
(a)(5)(v)*
Press
Release,
dated May 1,
2003, Rent-A-
Center, Inc.
to Issue \$300
Million of
Senior
Subordinated
Notes due
2010 at 7.5%
Interest. (a)
(5)(vi)*
Press
Release,
dated May 1,
2003, Rent-A-
Center, Inc.
Announces
Reduction in
Senior Term
Debt Sought.
(a)(5)(vii)*
Press
Release,
dated May 6,
2003, Rent-A-
Center, Inc.
Purchases 11%
Senior
Subordinated
Notes
Pursuant to
Early Tender

Provisions of
Tender Offer;
Closes
Offering of
7.5% Senior
Subordinated
Notes Due
2010. (a)(5)
(viii)*
Letter to
stockholders
of record
mailed May 6,
2003. (a)(5)
(ix)* Press
Release,
dated May 28,
2003, Rent-A-
Center, Inc.
Announces
Refinancing
of Its Senior
Debt. (a)(5)
(x)* Press
Release,
dated June 5,
2003, Rent-A-
Center, Inc.
Announces an
Increase in
the Purchase
Price and
Extension of
Expiration
Date Under
Its Modified
Dutch Auction
Tender Offer.
(b)(1)(1)
Indenture,
dated as of
May 6, 2003,
by and among
Rent-A-
Center, Inc.,
as Issuer,
Rent-A-Center
East, Inc.,
ColorTyme,
Inc., and
Rent-A-Center
Texas,
L.L.C., as
Guarantors,
and the Bank
of New York,
as Trustee.
(b)(2)**
Credit
Agreement,
dated as of
May 28, 2003,
among Rent-A-
Center, Inc.,
as Borrower,
the several
banks and
other
financial
institutions
or entities
from time to
time parties
to the Credit
Agreement, as
Lenders,
Morgan
Stanley
Senior
Funding Inc.,
as
documentation
agent, JP

Morgan Chase
Bank and
Bear, Stearns
& Co. Inc.,
each as
syndication
agent,
Wachovia
Bank,
National
Association,
UBS Warburg
LLC, United
Overseas Bank
and Credit
Lyonnais,
each as
managing
agent, and
Lehman
Commercial
Paper Inc.,
as

administrative
agent. (d)

(1)* Stock
Purchase and
Exchange
Agreement,
dated April
25, 2003, by
and among
Apollo
Investment
Fund IV,
L.P., Apollo
Overseas
Partners IV,
L.P. and
Rent-A-
Center, Inc.

(d)(2)(2)
Third Amended
and Restated
Stockholders
Agreement,
dated as of
December 31,
2002, by and
among Apollo
Investment
Fund IV,
L.P., Apollo
Overseas
Partners IV,
L.P., Mark E.
Speese, Rent-
A-Center,
Inc., and
certain other
persons. (d)

(3)(3)
Registration
Rights
Agreement,
dated August
5, 1998, by
and between
Renters
Choice, Inc.,
Apollo
Investment
Fund IV,
L.P., and
Apollo
Overseas
Partners IV,
L.P., related
to the Series
A Convertible
Preferred
Stock. (d)(4)
(4) Second

Amendment to
Registration
Rights
Agreement,
dated as of
August 5,
2002, by and
among Rent-A-
Center, Inc.,
Apollo
Investment
Fund IV, L.P.
and Apollo
Overseas
Partners IV,
L.P. (d)(5)
(5) Third
Amendment to
Registration
Rights
Agreement,
dated as of
December 31,
2002, by and
among Rent-A-
Center, Inc.,
Apollo
Investment
Fund IV,
L.P., and
Apollo
Overseas
Partners IV,
L.P. (d)(6)
(6) Amended
and Restated
Rent-A-
Center, Inc.
Long-Term
Incentive
Plan.

- - - - -

* Previously filed.

** Filed herewith.

- (1) Incorporated herein by reference to Exhibit 4.9 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (2) Incorporated herein by reference to Exhibit 10.6 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2002.
- (3) Incorporated herein by reference to Exhibit 10.22 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998.
- (4) Incorporated herein by reference to Exhibit 10.10 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998.
- (5) Incorporated herein by reference to Exhibit 10.9 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2002.
- (6) Incorporated herein by reference to Exhibit 99.1 to the registrant's Post-Effective Amendment No. 1 to Form S-8 dated as of December 31, 2002.

SUPPLEMENT
TO THE
OFFER TO PURCHASE FOR CASH
BY
RENT-A-CENTER, INC.
OF
UP TO 2,200,000 SHARES OF ITS COMMON STOCK

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

Rent-A-Center, Inc., a Delaware corporation (the "Company," "we" or "us") by this Supplement (the "Supplement") amends and supplements its offer to purchase shares of its common stock originally made upon the terms and subject to the conditions described in the Offer to Purchase dated April 28, 2003 (the "Offer to Purchase") and the related Letter of Transmittal (the "Original Transmittal Letter") previously distributed to stockholders. The Offer to Purchase as amended and supplemented by this Supplement, and the related amended Letter of Transmittal provided with this Supplement (the "Letter of Transmittal"), as they may be further amended or supplemented from time to time, constitute the "Offer."

We have increased the purchase price we will pay for shares tendered and accepted for payment and extended the expiration date of the Offer.

Upon the terms and subject to the conditions of the Offer, we will determine a single per share price that we will pay for shares properly tendered and not properly withdrawn in the tender offer that will enable us to buy 2,200,000 shares or, if fewer shares are properly tendered, all shares that are properly tendered and not properly withdrawn. This price will be not greater than \$73.00 per share nor less than \$67.00 per share, net to the seller in cash, without interest. The range of prices was from \$60.00 to \$66.00 per share prior to the amendment of the Offer.

We have extended the expiration date of the tender offer from 5:00 p.m., New York City time, on Thursday, June 5, 2003 to 12:00 midnight, New York City time, on Thursday, June 19, 2003. With the extension of the expiration date of the tender offer to June 19, 2003, holders of common stock will have additional time to tender shares that have not been tendered and to withdraw shares that have been tendered.

TENDERS OF SHARES, LETTERS OF TRANSMITTAL AND INSTRUCTIONS TO BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR OTHER NOMINEE HOLDERS SUBMITTED IN CONNECTION WITH THE ORIGINAL OFFER TO PURCHASE ARE NO LONGER EFFECTIVE, WITH A LIMITED EXCEPTION FOR CERTAIN PARTICIPANTS IN OUR 401(k) PLAN DESCRIBED BELOW. ALL OTHER STOCKHOLDERS THAT WISH TO PARTICIPATE IN THE TENDER OFFER SHOULD TREAT THIS EXTENSION AS A NEW TENDER OFFER, WHETHER OR NOT THEY WISH TO MAKE ANY CHANGE IN THEIR PREVIOUS INSTRUCTIONS. PARTICIPANTS IN OUR 401(k) PLAN THAT SPECIFIED ON THE YELLOW TRUSTEE DIRECTION FORM THAT THEY ARE WILLING TO SELL THE SHARES IN THEIR 401(k) PLAN ACCOUNT TO US AT THE PRICE DETERMINED BY US IN THE TENDER OFFER, AND THAT DO NOT WISH TO CHANGE THAT DIRECTION, DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THIS SUPPLEMENT.

THE DEALER MANAGER FOR THE OFFER IS

LEHMAN BROTHERS

June 5, 2003

Except as otherwise set forth in this Supplement or the Letter of Transmittal, the terms and conditions set forth in the Offer to Purchase and Original Letter of Transmittal, as amended or supplemented from time to time, remain applicable in all respects to the tender offer. To the extent that any information or revision contained in this Supplement is inconsistent with the information in the Offer to Purchase, the information and revisions in this Supplement shall control.

The following amendments and supplements to the information contained in the Offer to Purchase are keyed to the headings in the Offer to Purchase. Stockholders should read the Offer to Purchase in conjunction with this Supplement in considering whether to tender their shares. Capitalized terms that we use in this Supplement but do not define have the meanings we assigned to them in the Offer to Purchase.

All references to the purchase price in the Offer to Purchase or the related tender offer documents shall mean a price of not greater than \$73.00 per share nor less than \$67.00 per share, net to the seller in cash, without interest, and all references to the minimum purchase price in the Offer shall mean a minimum price of \$67.00 per share. All references to the expiration date in the Offer to Purchase or the related tender offer documents shall mean 12:00 midnight, New York City time, on Thursday, June 19, 2003, unless the Offer is subsequently extended or earlier terminated in accordance with its terms. Wherever in the Offer to Purchase we state that we will take a given action "as soon as practicable" after a stated event, the phrase "as soon as practicable" should be read to say "promptly."

FRONT COVER PAGE

The tender offer was subject to the condition that we complete the refinancing of our senior credit facilities and the offering of our senior subordinated notes. We announced the satisfaction of this condition on May 28, 2003. The tender offer remains subject to certain other conditions.

On June 5, 2003, the last full trading day prior to the announcement of our intention to extend and reprice the tender offer, the last reported sale price of our shares was \$71.41 per share.

INSIDE FRONT COVER PAGE

Stockholders that have already tendered shares under the Offer and checked the box entitled "Shares Tendered at Price Determined Under the Tender Offer" in the section of the Letter of Transmittal captioned "Price (in Dollars) Per Share at Which Shares Are Being Tendered" (or, in the case of participants in our 401(k) Plan, have specified on the yellow Trustee Direction Form that they are willing to sell the shares in their 401(k) Plan account to us at the price determined by us in the tender offer), and that do not wish to change that direction, do not need to take any action in response to this Supplement.

Stockholders that have already tendered shares under the Offer and checked one of the boxes under the caption "Shares Tendered at Price Determined by Stockholder" in the section of the Letter of Transmittal entitled "Price (in Dollars) Per Share at Which Shares Are Being Tendered" (or, in the case of participants in our 401(k) Plan, have specified on the yellow Trustee Direction Form the price or prices at which they were willing to sell the shares in their 401(k) Plan account to us) must deliver a new Letter of Transmittal to the Depository (or deliver a new yellow Trustee Direction Form to the Depository) specifying the price, not greater than \$73.00 per share and not less than \$67.00 per share, at which they are willing to sell their previously tendered shares.

Any stockholder that has tendered shares may withdraw those shares at any time prior to the extended expiration date of the Offer.

SUMMARY -- WHAT IS THE PURPOSE OF THE TENDER OFFER?

On May 1, 2003, we increased the size of our offering of senior subordinated notes to \$300 million in aggregate principal amount. In addition, we revised the terms of the new senior secured credit facilities with a syndicate of lenders to consist of a \$400 million term loan, a \$120 million revolving credit facility and the right to obtain an additional term loan of up to \$80 million under certain circumstances. We used the net proceeds of the offering of the senior subordinated notes to repurchase our existing 11% senior subordinated notes due

2008 and to repay a portion of the outstanding term debt under our existing senior credit facilities. We repaid the remaining outstanding term debt under the existing senior credit facility with proceeds of the new facilities on May 28, 2003. We will use additional drawings under the new senior secured credit facilities, together with cash on hand, to finance the tender offer, the repurchase of shares from certain of our stockholders following the completion of the tender offer and for certain other purposes.

SUMMARY -- HOW WILL YOU PAY FOR THE SHARES?

Assuming we purchase 2,200,000 shares in the tender offer at the maximum specified price of \$73.00 per share, \$160.6 million will be required to purchase such shares. We expect that the maximum aggregate cost, including all fees and expenses applicable to the tender offer, will be approximately \$162.0 million. We anticipate that we will obtain all of the funds necessary to purchase shares tendered in the tender offer, as well as to pay related fees and expenses, by borrowing up to approximately \$200 million under the \$400 million term loan portion of our new senior secured credit facilities and using cash on hand.

SUMMARY -- ARE THERE ANY CONDITIONS TO THE TENDER OFFER?

The first listed condition, success in refinancing our existing senior credit facilities and in selling new senior subordinated notes, was satisfied on May 28, 2003. The other conditions remain in effect.

SUMMARY -- ONCE I HAVE TENDERED SHARES IN THE TENDER OFFER, CAN I WITHDRAW MY TENDERED SHARES?

You may withdraw any shares tendered at any time before the expiration of the tender offer, as it may be extended. You may also withdraw your shares at any time after June 23, 2003, if we have not accepted for payment the shares you have tendered to us.

SUMMARY -- IN WHAT ORDER WILL YOU PURCHASE THE TENDERED SHARES?

We will purchase shares in the following order:

- first, from all holders of "odd lots" of less than 100 shares (not including any shares held in our 401(k) Plan) who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration date;
- second, after purchasing the shares from the "odd lot" holders, from all other stockholders who properly tender shares at or below the purchase price selected by us (including participants in our 401(k) Plan and stockholders who tendered subject to the condition that a specified minimum number of the holder's shares be purchased as described in Section 6, and whose condition was satisfied), on a pro rata basis; and
- third, only if necessary to permit us to purchase 2,200,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

SUMMARY -- WILL YOUR DIRECTORS AND EXECUTIVE OFFICERS TENDER SHARES IN THE TENDER OFFER?

If the tender offer is not fully subscribed by the extended expiration date, we will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, our Chief Executive Officer, and Apollo to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All other stockholders could also tender shares (or withdraw previously tendered shares) during this extension. Mr. Speese has advised us that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of our stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer.

SUMMARY -- WILL APOLLO INVESTMENT FUND IV, L.P. OR APOLLO OVERSEAS PARTNERS IV, L.P. TENDER SHARES IN THE TENDER OFFER?

Apollo has advised us that in the case of a second three business day extension of the tender offer to allow Mark Speese and Apollo to tender shares to fully subscribe the offer, it will consider tendering up to 2,000,000 shares at the maximum price based on the market price and other considerations at that time.

SUMMARY -- WHAT IS THE RECENT MARKET PRICE OF MY SHARES?

On June 5, 2003, the last full trading day prior to the announcement of our intention to extend and reprice the tender offer, the last reported sale price of our shares on The Nasdaq National Market was \$71.41 per share.

SUMMARY -- WHAT ARE THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IF I TENDER MY SHARES?

The Jobs and Growth Tax Relief Reconciliation Act of 2003 was signed into law on May 28, 2003. This Act, effective January 1, 2003, generally provides that "qualified dividend income" received by individual stockholders will be taxed as net capital gain rather than ordinary income (as previously described in the Offer to Purchase). The maximum capital gain rate is 15%. See the discussion of these changes below under "The Tender Offer -- 14. Certain United States Federal Income Tax Consequences."

INTRODUCTION

We satisfied the condition that we refinance our existing senior credit facilities and sell new senior subordinated notes on May 28, 2003.

On May 1, 2003, we increased the size of our offering of senior subordinated notes to \$300 million in aggregate principal amount. In addition, we revised the terms of the new senior secured credit facilities with a syndicate of lenders to consist of a \$400 million term loan, a \$120 million revolving credit facility and the right to obtain an additional term loan of up to \$80 million under certain circumstances. We used the net proceeds of the offering of the senior subordinated notes to repurchase our existing 11% senior subordinated notes due 2008 and to repay a portion of the outstanding term debt under our existing senior credit facilities. We repaid the remaining outstanding term debt under the existing senior credit facility with proceeds of the new facilities on May 28, 2003. We will use additional drawings under the new senior secured credit facilities, together with cash on hand, to finance the tender offer, the repurchase of shares from certain of our stockholders following the completion of the tender offer and for certain other purposes.

We will purchase shares in the following order:

- first, from all holders of "odd lots" of less than 100 shares (not including any shares held in our 401(k) Plan) who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration date;
- second, after purchasing the shares from the "odd lot" holders, from all other stockholders who properly tender shares at or below the purchase price selected by us (including participants in our 401(k) Plan and stockholders who tendered subject to the condition that a specified minimum number of the holder's shares be purchased as described in Section 6, and whose condition was satisfied), on a pro rata basis; and
- third, only if necessary to permit us to purchase 2,200,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

As of June 5, 2003, we had 35,198,418 issued and outstanding shares of common stock, excluding 7,900,000 shares reserved for issuance under our option plan. As of June 2, 2003, 3,089,786 shares were subject to outstanding options. The 2,200,000 shares that we are offering to purchase pursuant to the tender

offer represent approximately 6.3% of our shares outstanding on June 5, 2003. On June 5, 2003, the last full trading day prior to the announcement of our intention to extend and reprice the tender offer, the last reported sale price of our shares on the Nasdaq National Market was \$71.41 per share.

THE TENDER OFFER -- 1. NUMBER OF SHARES; PRORATION -- PRIORITY OF PURCHASES

We will purchase shares in the following order:

- first, from all holders of "odd lots" of less than 100 shares (not including any shares held in our 401(k) Plan) who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration date;
- second, after purchasing the shares from the "odd lot" holders, from all other stockholders who properly tender shares at or below the purchase price selected by us (including participants in our 401(k) Plan and stockholders who tendered subject to the condition that a specified minimum number of the holder's shares be purchased as described in Section 6, and whose condition was satisfied), on a pro rata basis; and
- third, only if necessary to permit us to purchase 2,200,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

THE TENDER OFFER -- 2. PURPOSE OF THE OFFER; CERTAIN EFFECTS OF THE TENDER OFFER -- PURPOSE OF THE OFFER

If the tender offer is not fully subscribed by the extended expiration date, we will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, our Chief Executive Officer, and Apollo to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All other stockholders could also tender shares (or withdraw previously tendered shares) during this extension. Mr. Speese has advised us that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of our stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer.

On May 1, 2003, we increased the size of our offering of senior subordinated notes to \$300 million in aggregate principal amount. In addition, we revised the terms of the new senior secured credit facilities with a syndicate of lenders to consist of a \$400 million term loan, a \$120 million revolving credit facility and the right to obtain an additional term loan of up to \$80 million under certain circumstances. We used the net proceeds of the offering of the senior subordinated notes to repurchase our existing 11% senior subordinated notes due 2008 and to repay a portion of the outstanding term debt under our existing senior credit facilities. We repaid the remaining outstanding term debt under the existing senior credit facility with proceeds of the new facilities on May 28, 2003. We will use additional drawings under the new senior secured credit facilities, together with cash on hand, to finance the tender offer, the repurchase of shares from certain of our stockholders following the completion of the tender offer and for certain other purposes.

THE TENDER OFFER -- 2. PURPOSE OF THE OFFER; CERTAIN EFFECTS OF THE TENDER OFFER -- CERTAIN EFFECTS OF THE TENDER OFFER

On December 31, 2002, assuming we had completed the refinancing of our senior credit facilities and offering of our senior subordinated notes by that date, we would have had total indebtedness of \$700 million (of which \$300 million, rather than \$250 million, as stated in the Offer to Purchase) would have consisted of the new senior subordinated notes and the balance would have consisted of loans under the new senior credit facilities.

THE TENDER OFFER -- 3. PROCEDURES FOR TENDERING SHARES -- PROPER TENDER OF SHARES

TENDERS OF SHARES, LETTERS OF TRANSMITTAL AND INSTRUCTIONS TO BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR OTHER NOMINEE HOLDERS SUBMITTED IN CONNECTION WITH THE ORIGINAL OFFER TO PURCHASE ARE NO LONGER EFFECTIVE, WITH A LIMITED EXCEPTION FOR CERTAIN PARTICIPANTS IN OUR 401(k) PLAN DESCRIBED BELOW. ALL OTHER STOCKHOLDERS THAT WISH TO PARTICIPATE IN THE TENDER OFFER SHOULD TREAT THIS EXTENSION AS A NEW TENDER OFFER, WHETHER OR NOT THEY WISH TO MAKE ANY CHANGE IN THEIR PREVIOUS INSTRUCTIONS. PARTICIPANTS IN OUR 401(k) THAT SPECIFIED ON THE YELLOW TRUSTEE DIRECTION FORM THAT THEY ARE WILLING TO SELL THE SHARES IN THEIR 401(k) PLAN ACCOUNT TO US AT THE PRICE DETERMINED BY US IN THE TENDER OFFER, AND THAT DO NOT WISH TO CHANGE THAT DIRECTION, DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THIS SUPPLEMENT.

Any stockholder that has tendered shares may withdraw those shares at any time prior to the extended expiration date of the Offer.

THE TENDER OFFER -- 3. PROCEDURES FOR TENDERING SHARES -- DETERMINATION OF VALIDITY; REJECTION OF SHARES; WAIVER OF DEFECTS; NO OBLIGATION TO GIVE NOTICE OF DEFECTS

Any waiver of any of the conditions of the tender offer will apply to all properly tendered shares. We reserve the right to waive any defect or irregularity in any tender with respect to any particular shares or any particular stockholder.

The Original Letter of Transmittal contained a representation to be made by the tendering stockholder that he has read and agrees to all of the terms of the tender offer. In the Letter of Transmittal being distributed to stockholders with this Supplement, we have deleted the representation that the tendering stockholder has read all the terms of the tender offer. We will deem this deleted language to have been deleted in the case of each Original Letter of Transmittal submitted to the Depository.

THE TENDER OFFER -- 7. CONDITIONS OF THE OFFER

The first listed condition, success in refinancing our existing senior credit facilities and in selling new senior subordinated notes, was satisfied on May 28, 2003. The other conditions remain in effect.

Where we refer to the contemplated benefits of the tender offer to us in the bullet points in this section, we refer to those benefits as described in Section 2 -- Purpose of the Offer; Certain Effects of the Tender Offer -- Purpose of the Offer in the Offer to Purchase as supplemented by this Supplement.

For purposes of the condition that there must not have occurred any significant decrease in the market price of our common stock or in the market prices of equity securities generally in the United States, we have defined a significant decrease in our stock price to mean a decrease of 10% or more, and have defined a significant decrease in general market prices to mean a decrease of 10% or more in the New York Stock Exchange Index, the Nasdaq Composite Index, the Dow Jones Industrial Average or the S&P 500 Composite Index, in both cases occurring between the close of business on April 24, 2003, the last full trading day before the announcement of our intention to commence the tender offer, and the close of trading on the last trading day prior to the expiration of the tender offer.

The parenthetical phrase "(including any action or omission to act by us)" should be deleted from the first and last paragraphs in this section.

We cannot assert any condition after the expiration of the tender offer. All conditions must be satisfied or waived prior to the expiration of the tender offer.

THE TENDER OFFER -- 8. PRICE RANGE OF SHARES; DIVIDENDS

The high and low reported sale prices of our common stock on The Nasdaq National Market for the second quarter through June 5, 2003, were \$72.27 and \$53.38. On June 5, 2003, the last full trading day prior to the announcement of our intention to extend and reprice the tender offer, the last reported sale price of our shares on The Nasdaq National Market was \$71.41 per share.

THE TENDER OFFER -- 9. SOURCE AND AMOUNT OF FUNDS; RECAPITALIZATION
TRANSACTIONS -- SOURCE AND AMOUNT OF FUNDS

Assuming we purchase 2,200,000 shares in the tender offer at the maximum specified price of \$73.00 per share, \$160.6 million will be required to purchase such shares. We expect that the maximum aggregate cost, including all fees and expenses applicable to the tender offer, will be approximately \$162.0 million. We anticipate that we will obtain all of the funds necessary to purchase shares tendered in the tender offer, as well as to pay related fees and expenses, by borrowing up to approximately \$200 million under the \$400 million term loan portion of our new senior secured credit facilities and using cash on hand. We have completed the refinancing of our senior secured credit facilities and the sale of our senior subordinated notes, so that the financing condition to the tender offer has been satisfied.

THE TENDER OFFER -- 9. SOURCE AND AMOUNT OF FUNDS; RECAPITALIZATION
TRANSACTIONS -- RECAPITALIZATION

On May 1, 2003, we increased the size of our offering of senior subordinated notes to \$300 million in aggregate principal amount. In addition, we revised the terms of the new senior secured credit facilities with a syndicate of lenders to consist of a \$400 million term loan, a \$120 million revolving credit facility and the right to obtain an additional term loan of up to \$80 million under certain circumstances. We used the net proceeds of the offering of the senior subordinated notes to repurchase our existing 11% senior subordinated notes due 2008 and to repay a portion of the outstanding term debt under our existing senior credit facilities. We repaid the remaining outstanding term debt under the existing senior credit facility with proceeds of the new facilities on May 28, 2003. We will use additional drawings under the new senior secured credit facilities, together with cash on hand, to finance the tender offer, the repurchase of shares from certain of our stockholders following the completion of the tender offer and for certain other purposes. We have no plans or arrangements to refinance or repay the loans under the new senior secured credit facilities or the new senior subordinated notes other than pursuant to their respective terms.

THE TENDER OFFER -- 9. SOURCE AND AMOUNT OF FUNDS; RECAPITALIZATION
TRANSACTIONS -- NEW SENIOR CREDIT FACILITIES

We closed the new senior credit facilities on May 28, 2003, on substantially the terms described in the Offer to Purchase and this Supplement.

THE TENDER OFFER -- 9. SOURCE AND AMOUNT OF FUNDS; RECAPITALIZATION
TRANSACTIONS -- NOTES OFFERING

We closed the sale of our senior subordinated notes on May 6, 2003, on substantially the terms described in the Offer to Purchase and this Supplement.

THE TENDER OFFER -- 9. SOURCE AND AMOUNT OF FUNDS; RECAPITALIZATION
TRANSACTIONS -- OFFER TO PURCHASE SUBORDINATED NOTES

We purchased approximately \$183 million in principal amount of our outstanding 11% senior subordinated notes due 2008 pursuant to the offer to purchase. We purchased an additional \$5 million in principal amount of these notes in a separate transaction.

THE TENDER OFFER -- 10. CERTAIN FINANCIAL INFORMATION

We incorporate by reference the financial statements and notes thereto on pages 3 through 13 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.

THE TENDER OFFER -- 10. CERTAIN FINANCIAL INFORMATION -- SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following unaudited summary historical consolidated financial information as of March 31, 2003 and 2002, and for the three month periods then ended, has been derived from our unaudited consolidated financial statements contained in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003. This information should be read in conjunction with and is qualified in its entirety by reference to such unaudited statements and the related notes thereto.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

THREE MONTHS ENDED -----		MARCH 31, 2003		MARCH 31, 2002		UNAUDITED		UNAUDITED	
		-----		-----		-----		-----	
----- Income Statement Data									
Revenue									
Store.....		\$ 552,843		\$ 483,924					
Franchise.....		13,563		14,686					
									Total
Revenue.....						\$ 566,406		\$ 498,610	Net
Earnings.....						\$ 50,959		\$ 43,563	Weighted Average
Shares.....									35,936 36,321
									Per Share Data Basic earnings per share of common
						\$ 1.46		\$ 1.57	Diluted earnings
									per share of common stock..... 1.42 1.20 Book
									value per share of common stock.....
									24.71 11.69 Ratio of earnings to fixed
charges(1).....						4.9x		4.2x	Balance Sheet
									Data Rental merchandise,
									net..... \$ 693,324 \$
						656,544			Intangible assets,
									net..... 788,964 712,764
									Total
assets.....									
						1,729,618		1,677,036	Total
debt.....									
						521,349		702,525	Total
liabilities.....									
						841,687		957,630	Redeemable convertible voting
									preferred stock..... 2 294,674 Stockholders
equity.....								\$ 887,929	\$
									424,732

(1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income tax expense, plus fixed charges. Fixed charges consist of interest expense (which includes amortization of deferred financing costs) whether expensed or capitalized and one-fourth of rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

THE TENDER OFFER -- 10. CERTAIN FINANCIAL INFORMATION -- SUMMARY UNAUDITED PRO
FORMA CONSOLIDATED FINANCIAL INFORMATION

The summary unaudited pro forma consolidated financial information presented below gives effect to the completion of our senior subordinated notes offering, the completion of the refinancing of our senior credit facilities, our purchase of approximately \$188 million of our 11% senior subordinated notes and the purchase of shares pursuant to the tender offer as if such transactions had occurred on March 31, 2003. The information presented is based on certain assumptions, including the purchase of shares from Apollo. This information should be read in conjunction with the summary historical consolidated financial information, Form 10-K, Form 10-Q and related notes referred to earlier. These estimated financial effects of the repurchase are not necessarily indicative of either our financial position or the results of our operations that would actually have been obtained had the contemplated transactions been completed on March 31, 2003, or that may be obtained in the future. The summary unaudited pro forma consolidated financial information has been included herein as required by the rules of the SEC and is for comparative purposes only. The pro forma financial information below goes beyond historical information and may provide an indication of future results. To the extent that they are forward-looking statements within the meaning of Section 21E of the Exchange Act, they are subject to factors that could cause actual results to differ from those in the forward-looking statements.

SUMMARY UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

THREE MONTHS ENDED MARCH 31, 2003 -----			
			ASSUMED
ASSUMED HISTORICAL \$67.00 PER SHARE	\$73.00 PER		
SHARE UNAUDITED PURCHASE PRICE	PURCHASE PRICE	--	

Income Statement Data Revenue			
Store.....	\$ 552,843	\$ 552,843	\$ 552,843
Franchise.....	13,563	13,563	13,563
	-----	-----	-----
	----- Total		
Revenue.....	\$ 566,406	\$ 566,406	\$ 566,406 Net
Earnings.....	\$ 50,959	\$ 50,959	\$ 50,959 Weighted Average
Shares.....	32,832	32,832	35,936 32,832
	32,832 Per Share Data Basic earnings per share		
	of common stock.....	\$ 1.46	\$ 1.60 \$ 1.60
	Diluted earnings per share of common		
stock.....	1.42	1.55	1.55 Book value per share
	of common stock.....	24.71	20.03 19.46
	Ratio of earnings to fixed		
charges.....	4.9x	5.3x	5.3x Balance
	Sheet Data Rental merchandise,		
	net.....	\$ 693,324	\$
	693,324	\$ 693,324	Intangible assets,
	net.....	788,964	788,964
	788,964 Total		
assets.....			
	1,729,618	1,677,941	1,659,317 Total
debt.....			
	521,349	700,000	700,000 Total
liabilities.....			
	841,687	1,020,338	1,020,338 Redeemable
	convertible voting preferred stock....	2	2 2
	Stockholders		
equity.....			\$ 887,929
	657,601	638,977	

THE TENDER OFFER -- 12. INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS;
TRANSACTIONS AND ARRANGEMENTS CONCERNING THE SHARES -- BENEFICIAL OWNERSHIP

The share ownership information for Mark E. Speese does not reflect the possible effect of his announced intention to participate in the tender offer under certain conditions. If (i) Mr. Speese tenders 200,000 shares in the tender offer and no other director or executive officer tenders any shares, and (ii) we purchase a total of 2,200,000 shares of common stock in the tender offer, the percentage ownership of Mr. Speese and of all executive officers would be 3.06% and 3.77%, respectively. If in addition we purchase 903,955 shares of common stock from Apollo after the completion of the tender offer (which represents the maximum number which would be purchased under our existing agreement to reduce Apollo's ownership to 19% and assumes that Apollo does not tender any shares in connection with any further extension of the tender offer), the percentage ownership of Mr. Speese and of all executive officers as a group after the tender offer would be 3.15% and 3.87%, respectively.

THE TENDER OFFER -- 12. INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS;
TRANSACTIONS AND ARRANGEMENTS CONCERNING THE SHARES -- AGREEMENT TO PURCHASE
APOLLO SHARES

If the tender offer is not fully subscribed by the extended expiration date, we will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, our Chief Executive Officer, and Apollo to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All stockholders would have the right to tender (or withdraw previous tenders) during this further extension. Mr. Speese has advised us that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of our stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer. Apollo has advised us that in the case of a second extension it will consider tendering up to 2,000,000 shares at the maximum price based on the market price and other considerations at that time.

Under the terms of our existing agreement with Apollo to purchase shares after the completion of the tender offer, Apollo may terminate the agreement if the purchase has not taken place by June 30, 2003, for any reason, including an extension of the tender offer. Based on the extension of the tender offer announced June 5, 2003, the agreement with Apollo would not close prior to June 30. Apollo has advised us that it does not intend to terminate the agreement under this provision in connection with the current extension of the tender offer.

THE TENDER OFFER -- 14. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Tax Relief Act") was signed into law on May 28, 2003. This act, effective January 1, 2003, generally provides that "qualified dividend income" received by individual stockholders will be taxed as net capital gain rather than ordinary income (as previously described in the tax discussion of the Offer to Purchase). The maximum capital gain rate is 15%. To be eligible for the capital gain rate for "qualified dividend income," the stockholder must have held the shares for more than 60 days during the 120 day period beginning 60 days before the ex-dividend period as measured under Section 246(c) of the Code, and the stockholder must not be under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. "Qualified dividend income" does not include any amount that the stockholder takes into account as investment income under Section 163(d)(4)(B) of the Code for purposes of determining the stockholder's allowed investment interest deduction. You are urged to consult with your tax advisor to determine whether a dividend, if any, would be treated as "qualified dividend income" pursuant to the Tax Relief Act. You should also note that under the Tax Relief Act, the rate of applicable backup withholding tax is reduced to 28% (instead of 30% as described in the tax discussion of the Offer to Purchase).

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THE OFFER TO PURCHASE (AS SUPPLEMENTED AND AMENDED BY THIS SUPPLEMENT) OR INFORMATION TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION OR MAKE ANY REPRESENTATIONS ON OUR BEHALF IN CONNECTION WITH THE TENDER OFFER OTHER THAN THOSE CONTAINED IN THE OFFER TO PURCHASE (AS AMENDED AND SUPPLEMENTED BY THIS SUPPLEMENT) AND THE RELATED LETTER OF TRANSMITTAL. IF GIVEN OR MADE, YOU SHOULD NOT RELY ON THAT INFORMATION OR REPRESENTATION AS HAVING BEEN AUTHORIZED BY US, THE DEALER MANAGER OR THE INFORMATION AGENT.

Dated: June 5, 2003

RENT-A-CENTER, INC.

The Letter of Transmittal and certificates for shares and any other required documents should be sent or delivered by each stockholder or the stockholder's broker, dealer, commercial bank, trust company or nominee to the Depository at one of its addresses set forth below. To confirm delivery of shares, stockholders are directed to contact the Depository.

The Depository for the Offer is:

MELLON INVESTOR SERVICES LLC

By Hand Delivery
120 Broadway, 13th Floor
New York, New York 10271
Attn: Reorganization Dept

By Overnight Delivery:
85 Challenger Road
Mail Drop-Reorg.
Ridgefield Park, New Jersey
07660
Attn: Reorganization Dept.

By Mail:
P. O. Box 3301
South Hackensack,
New Jersey 07606
Attn: Reorganization Dept.

Facsimile Transmission:
(201) 296-4293

Confirm Receipt of Facsimile By Telephone:
(201) 296-4860

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and addresses set forth below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or related documents may be directed to the Information Agent at its telephone number or address set forth below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the tender offer.

The Information Agent for the Offer is:

D. F. KING & CO., INC.
48 WALL STREET
NEW YORK, NY 10005
BANKS AND BROKERS CALL: (212) 269-5550
ALL OTHERS CALL TOLL FREE: (800) 431-9642

The Dealer-Manager for the Offer is:

LEHMAN BROTHERS
745 SEVENTH AVENUE
2ND FLOOR
NEW YORK, NEW YORK 10019
TOLL FREE: (800) 524-4462
ATTENTION: KEVIN BLUM

RENT-A-CENTER, INC.
AMENDED LETTER OF TRANSMITTAL
FOR TENDER OF
UP TO 2,200,000 SHARES OF ITS COMMON STOCK
AT AN INCREASED PURCHASE PRICE NOT GREATER THAN \$73.00
NOR LESS THAN \$67.00 PER SHARE
PURSUANT TO THE OFFER TO PURCHASE
DATED APRIL 28, 2003, AS AMENDED
CUSIP NO. 76009N 10 0

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00
MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER
OFFER IS EXTENDED.

The Depository for the tender offer is:

MELLON INVESTOR SERVICES LLC

By Hand Delivery:
120 Broadway, 13th Floor
New York, New York 10271
Attn: Reorganization Dept.

By Overnight Delivery:
85 Challenger Road
Mail Drop-Reorg.
Ridgefield Park, New Jersey
07660
Attn: Reorganization Dept.

By Mail:
P. O. Box 3301
South Hackensack,
New Jersey 07606
Attn: Reorganization Dept.

DELIVERY OF THIS AMENDED LETTER OF TRANSMITTAL AND ALL OTHER DOCUMENTS TO
AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.
DELIVERIES TO RENT-A-CENTER, INC. ("RENT-A-CENTER"), LEHMAN BROTHERS INC., THE
DEALER MANAGER, OR D. F. KING & CO., INC., THE INFORMATION AGENT, WILL NOT BE
FORWARDED TO THE DEPOSITARY AND THEREFORE WILL NOT CONSTITUTE VALID DELIVERY TO
THE DEPOSITARY. DELIVERIES TO THE BOOK-ENTRY TRANSFER FACILITY WILL NOT
CONSTITUTE VALID DELIVERY TO THE DEPOSITARY.

The Instructions contained herein should be read carefully before this
Letter of Transmittal is completed.

STOCKHOLDERS THAT WISH TO BE ELIGIBLE TO RECEIVE THE TENDER OFFER
CONSIDERATION PURSUANT TO THE OFFER MUST VALIDLY TENDER (AND NOT WITHDRAW) THEIR
SHARES TO THE DEPOSITARY PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE
EXPIRATION DATE.

ALL CAPITALIZED TERMS USED HEREIN, AND NOT DEFINED HEREIN SHALL HAVE THE
MEANING ASCRIBED TO THEM IN THE OFFER TO PURCHASE DATED APRIL 28, 2003, AS
AMENDED AND SUPPLEMENTED BY THE SUPPLEMENT TO THE OFFER TO PURCHASE DATED JUNE
5, 2003 (AS THE SAME MAY BE FURTHER AMENDED OR SUPPLEMENTED FROM TIME TO TIME,
THE "OFFER TO PURCHASE").

This Amended Letter of Transmittal (this "Letter of Transmittal") is to be
used only if (a) certificates for shares are to be forwarded herewith, or (b) a
tender of shares is being made concurrently by book-entry transfer to the
account maintained by the Depository at The Depository Trust Company (the
"Book-Entry Transfer Facility") pursuant to Section 3 of the Offer to Purchase.
See Instruction 2.

Your attention is directed in particular to the following:

1. If you want to retain your shares, you do not need to take any action.
2. If you want to participate in the tender offer and wish to maximize the chance of having Rent-A-Center accept for exchange all the shares you are tendering hereby, you should check the box in the section captioned "Shares Tendered at Price Determined Under the Tender Offer" in the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" below and complete the other portions of this Letter of Transmittal as appropriate.
3. If you wish to select a specific price at which you will be tendering your shares, you should select one of the boxes in the section captioned "Shares Tendered at Price Determined by Stockholder" in the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" below and complete the other portions of this Letter of Transmittal as appropriate.

TENDERS OF SHARES, LETTERS OF TRANSMITTAL AND INSTRUCTIONS TO BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR OTHER NOMINEE HOLDERS SUBMITTED IN CONNECTION WITH THE ORIGINAL OFFER TO PURCHASE ARE NO LONGER EFFECTIVE, WITH A LIMITED EXCEPTION FOR CERTAIN PARTICIPANTS IN OUR 401(K) PLAN DESCRIBED BELOW. ALL OTHER STOCKHOLDERS THAT WISH TO PARTICIPATE IN THE TENDER OFFER SHOULD TREAT THIS EXTENSION AS A NEW TENDER OFFER, WHETHER OR NOT THEY WISH TO MAKE ANY CHANGE IN THEIR PREVIOUS INSTRUCTIONS. PARTICIPANTS IN OUR 401(K) PLAN THAT SPECIFIED ON THE YELLOW TRUSTEE DIRECTION FORM THAT THEY ARE WILLING TO SELL THE SHARES IN THEIR 401(K) PLAN ACCOUNT TO US AT THE PRICE DETERMINED BY US IN THE TENDER OFFER, AND THAT DO NOT WISH TO CHANGE THAT DIRECTION, DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THE SUPPLEMENT.

THE OFFER IS NOT BEING MADE TO (NOR WILL TENDER OF SHARES BE ACCEPTED FROM OR ON BEHALF OF) HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE OF THE OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

Your bank or broker can assist you in completing this form. The instructions included with this Letter of Transmittal must be followed. Questions and requests for assistance may be directed to the Information Agent or Dealer Manager and requests for additional copies of the Offer to Purchase and this Letter of Transmittal may be directed to the Information Agent, whose respective addresses and telephone numbers appear at the end of this Letter of Transmittal. See Instruction 13.

- Total: -

Indicate in this box the order (by certificate number) in which shares are to be purchased in event of proration.***

Attach additional signed schedule if necessary. See Instruction 10.

---- 1st 2nd 3rd 4th 5th - -

* DOES NOT need to be completed by stockholders tendering shares by book-entry transfer.

** Unless otherwise indicated, it will be assumed that all shares evidenced by each certificate delivered to the Depository are being tendered hereby. *** If you do not designate an order, in the event less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depository. See Instruction 10.

METHOD OF DELIVERY

Check here if certificates for tendered shares are enclosed herewith.

BOOK-ENTRY

Check here if tendered shares are being delivered by book-entry transfer to an account maintained by the Depositary with the Book-Entry Transfer Facility and complete the following:

Name of Tendering Institution

Account No.

Transaction Code No.

LOST OR DESTROYED CERTIFICATE(S)

If any certificate representing shares has been lost, destroyed or stolen, the stockholder should promptly notify the Depositary. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed. STOCKHOLDERS ARE REQUESTED TO CONTACT THE DEPOSITARY IMMEDIATELY IN ORDER TO PERMIT TIMELY PROCESSING OF THIS DOCUMENTATION. SEE INSTRUCTION 16.

ODD LOTS
(SEE INSTRUCTION 9)

To be completed ONLY if shares are being tendered by or on behalf of a person owning, beneficially or of record, as of the close of business on June 5, 2003, and who continues to own, beneficially or of record, as of the expiration date, an aggregate of fewer than 100 shares. The undersigned either (CHECK ONE BOX):

is the beneficial or record owner of an aggregate of fewer than 100 shares (not including any shares held in Rent-A-Center's 401(k) Plan), all of which are being tendered; or

is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of those shares.

In addition, the undersigned is tendering shares either (CHECK ONE BOX):

at the purchase price, as the same shall be determined by Rent-A-Center in accordance with the terms of the tender offer (persons checking this box need not indicate the price per share below); or

at the price per share indicated under the caption "Shares Tendered at Price Determined by Stockholder" in the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" below.

NOTE: SIGNATURE MUST BE PROVIDED BELOW
PLEASE READ ACCOMPANYING INSTRUCTIONS CAREFULLY

To Mellon Investor Services LLC:

The undersigned hereby tenders to Rent-A-Center the above-described shares of Rent-A-Center common stock, \$0.01 par value per share, at the price per share indicated in this Letter of Transmittal, net to the seller in cash, without interest, on the terms and subject to the conditions set forth in the Offer to Purchase, as amended by the Supplement, receipt of which is hereby acknowledged, and in this Letter of Transmittal, which, as amended or supplemented from time to time, together constitute the tender offer.

Subject to and effective on acceptance for payment of the shares tendered hereby in accordance with the terms and subject to the conditions of the tender offer (including, if the tender offer is extended or amended, the terms and conditions of such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Rent-A-Center all right, title and interest in and to all shares tendered hereby and orders the registration of all such shares if tendered by book-entry transfer that are purchased pursuant to the tender offer to or upon the order of Rent-A-Center and hereby irrevocably constitutes and appoints the Depository as the true and lawful agent and attorney-in-fact of the undersigned with respect to such shares (with full knowledge that the Depository also acts as the agent of Rent-A-Center) with respect to such shares, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to:

(a) deliver certificate(s) representing such shares or transfer ownership of such shares on the account books maintained by the Book-Entry Transfer Facility, together, in either such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Rent-A-Center upon receipt by the Depository, as the undersigned's agent, of the aggregate purchase price with respect to such shares;

(b) present certificates for such shares for cancellation and transfer on Rent-A-Center's books; and

(c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, subject to the next paragraph, all in accordance with the terms and subject to the conditions of the tender offer.

The undersigned hereby covenants, represents and warrants to Rent-A-Center that:

(a) the undersigned understands that tendering of shares under any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the tender offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in shares of Rent-A-Center common stock or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 under the Exchange Act, and (ii) such tender of shares complies with Rule 14e-4 under the Exchange Act;

(b) when and to the extent Rent-A-Center accepts the shares for purchase, Rent-A-Center will acquire good, marketable and unencumbered title to them, free and clear of all security interests, liens, charges, encumbrances, conditional sales agreements or other obligations relating to their sale or transfer, and not subject to any adverse claim;

(c) on request, the undersigned will execute and deliver any additional documents deemed by the Depository or Rent-A-Center to be necessary or desirable to complete the assignment, transfer and purchase of the shares tendered hereby; and

(d) the undersigned agrees to all of the terms of the tender offer.

The name(s) and address(es) of the registered holder(s) should be printed, if they are not already printed above, exactly as they appear on the certificates representing shares tendered hereby. The certificate numbers, the number of shares represented by such certificates, and the number of shares that the undersigned wishes to tender, should be set forth in the appropriate location in the "Description of Shares Tendered" box

above. The price at which such shares are being tendered should be indicated by completing the appropriate portions of the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" below.

The undersigned understands that Rent-A-Center will, on the terms and subject to the conditions of the tender offer, determine a single per share purchase price, not greater than \$73.00 per share nor less than \$67.00 per share, that it will pay for shares properly tendered and not properly withdrawn prior to the expiration date in the tender offer, taking into account the number of shares so tendered and the prices (in multiples of \$0.25) specified by tendering stockholders. The undersigned understands that Rent-A-Center will select the lowest purchase price that will allow it to buy 2,200,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$73.00 per share nor less than \$67.00 per share, in the tender offer, subject to its right to increase the total number of shares purchased to the extent permitted by law. The undersigned understands that all shares properly tendered prior to the expiration date at prices at or below the purchase price and not properly withdrawn will be purchased at the purchase price, net to the seller in cash, without interest, on the terms and subject to the conditions of the tender offer, including its proration provisions, and that Rent-A-Center will return at its expense all other shares, including shares tendered at prices greater than the purchase price and not properly withdrawn prior to the expiration date and shares not purchased because of proration.

The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, Rent-A-Center may terminate or amend the tender offer or may postpone the acceptance for payment of, or the payment for, shares tendered or may accept for payment fewer than all of the shares tendered hereby. In such event, the undersigned understands that certificate(s) for any shares delivered herewith but not tendered or not purchased will be returned to the undersigned at the address indicated above. The undersigned recognizes that Rent-A-Center has no obligation under the "Special Payment Instructions" box below to transfer any certificate for shares from the name of its registered holder, or to order the registration or transfer of shares tendered by book-entry transfer, if Rent-A-Center purchases none of the shares represented by such certificate or tendered by such book-entry transfer.

The undersigned understands that acceptance of shares by Rent-A-Center for payment will constitute a binding agreement between the undersigned and Rent-A-Center on the terms and subject to the conditions of the tender offer. The undersigned acknowledges that no interest will be paid on the purchase price for tendered shares regardless of any extension of the tender offer or any delay in making such payment.

The check for the aggregate net purchase price for such of the tendered shares as are purchased by Rent-A-Center will be issued to the order of the undersigned and mailed to the address indicated above unless otherwise indicated under either of the "Special Payment Instructions" or the "Special Delivery Instructions" boxes below.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned, and any obligation or duties of the undersigned under this Letter of Transmittal shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and legal representatives of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

PRICE (IN DOLLARS) PER SHARE
AT WHICH SHARES ARE BEING TENDERED
(SEE INSTRUCTION 5)

(1) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by Stockholder," the undersigned hereby tenders shares at the purchase price, as the same shall be determined by Rent-A-Center in accordance with the terms of the tender offer.

I want to maximize the chance of having Rent-A-Center accept for purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes below, I hereby tender shares at, and am willing to accept, the purchase price determined by Rent-A-Center in accordance with the terms of the tender offer and resulting from the tender offer process. This action may have the effect of lowering the purchase price and could result in receiving a price per share as low as \$67.00 per share.

OR

(2) SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby tenders shares at the purchase price checked. This action could result in none of the shares being purchased if the purchase price determined by Rent-A-Center for the shares is less than the purchase price checked below. A stockholder who desires to tender shares at more than one purchase price must complete a separate Letter of Transmittal for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one purchase price.

<input type="checkbox"/> \$67.00	<input type="checkbox"/> \$68.25	<input type="checkbox"/> \$69.50	<input type="checkbox"/> \$70.75	<input type="checkbox"/> \$72.00
<input type="checkbox"/> \$67.25	<input type="checkbox"/> \$68.50	<input type="checkbox"/> \$69.75	<input type="checkbox"/> \$71.00	<input type="checkbox"/> \$72.25
<input type="checkbox"/> \$67.50	<input type="checkbox"/> \$68.75	<input type="checkbox"/> \$70.00	<input type="checkbox"/> \$71.25	<input type="checkbox"/> \$72.50
<input type="checkbox"/> \$67.75	<input type="checkbox"/> \$69.00	<input type="checkbox"/> \$70.25	<input type="checkbox"/> \$71.50	<input type="checkbox"/> \$72.75
<input type="checkbox"/> \$68.00	<input type="checkbox"/> \$69.25	<input type="checkbox"/> \$70.50	<input type="checkbox"/> \$71.75	<input type="checkbox"/> \$73.00

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, THERE IS NO VALID TENDER OF SHARES.

CONDITIONAL TENDER
(SEE INSTRUCTION 6)

A stockholder may tender shares subject to the condition that a specified minimum number of the stockholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Section 6 thereof. Unless Rent-A-Center purchases the minimum number of shares indicated below in the tender offer, none of the shares tendered by such stockholder will be purchased. It is the responsibility of the tendering stockholder to calculate that minimum number of shares that must be purchased if any are purchased, and Rent-A-Center urges stockholders to consult their own tax advisors before completing this section. Unless the box below has been checked and a minimum specified, the tender will be deemed unconditional.

MINIMUM NUMBER OF SHARES THAT MUST BE PURCHASED, IF ANY ARE PURCHASED:

----- SHARES.

If, because of proration, the minimum number of shares designated will not be purchased, Rent-A-Center may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below.

THE TENDERED SHARES REPRESENT ALL SHARES HELD BY THE UNDERSIGNED.

PLEASE SIGN ON THIS PAGE
(TO BE COMPLETED BY ALL TENDERING STOCKHOLDERS
REGARDLESS OF WHETHER SHARES ARE BEING PHYSICALLY DELIVERED HEREWITH)

This Letter of Transmittal must be signed by the registered holder(s) of the shares exactly as their name(s) appear(s) on certificate(s) for the shares or, if tendered by a DTC participant, exactly as such participant's name appears on a security position listing as the owner of the shares, or by a person or persons authorized to become a registered holder or registered holders by endorsements and documents transmitted with this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below under "Capacity" and submit evidence satisfactory to Rent-A-Center of such person's authority to so act. See Instruction 7.

IF THE SIGNATURE APPEARING BELOW IS NOT OF THE REGISTERED HOLDER(S) OF THE SHARES, THEN THE REGISTERED HOLDER(S) MUST SIGN A PROXY, WHICH SIGNATURE MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION. THE CONSENT PROXY SHOULD ACCOMPANY THIS LETTER OF TRANSMITTAL.

X

X

SIGNATURE(S) OF REGISTERED HOLDER(S) OR AUTHORIZED SIGNATORY

Dated: ----- , 2003

Name(s): -----

(PLEASE PRINT)

Capacity (full title): -----

Address: -----
(INCLUDING ZIP CODE)

Area Code and Telephone No.: -----

Tax Identification or Social Security No.: -----

IMPORTANT: COMPLETE FORM W-9 HEREIN OR APPLICABLE FORM W-8

SIGNATURE GUARANTEE (SEE INSTRUCTION 1)
CERTAIN SIGNATURES MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION

(NAME OF ELIGIBLE INSTITUTION GUARANTEEING SIGNATURES)

(ADDRESS (INCLUDING ZIP CODE) AND TELEPHONE NUMBER (INCLUDING AREA CODE) OF FIRM)

(AUTHORIZED SIGNATURE)

(TITLE)

Dated: ----- , 2003

SPECIAL PAYMENT

INSTRUCTIONS
(SEE INSTRUCTIONS 1, 4, 7, 8 AND 11)

To be completed ONLY if certificate(s) for shares not tendered or not purchased and/or any check for the purchase price are to be issued in the name of someone other than the undersigned, or if shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by credit to an account at the Book-Entry Transfer Facility other than that designated above.

Issue: Share Certificate(s) Check
(CHECK AS APPLICABLE)

Name:

(PLEASE PRINT)

Address:

(INCLUDE ZIP CODE)

(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(Such person(s) must properly complete the Form W-9 herein, a Form W-8BEN, or a Form W-8ECI, as applicable)

Credit unpurchased shares by book-entry to the DTC account set forth below:

(DTC ACCOUNT NUMBER)

Number of Account Party:

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 4, 7 AND 11)

To be completed ONLY if certificate(s) for shares not tendered or not purchased and/or any check for the purchase price, issued in the name of the undersigned, are to be mailed or sent to someone other than the undersigned, or to the undersigned at an address other than that designated above.

Deliver: Share Certificate(s) Check
(CHECK AS APPLICABLE)

Name:

(PLEASE PRINT)

Address:

(INCLUDE ZIP CODE)

(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE TENDER OFFER

1. Guarantee of Signatures. No signature guarantee is required if either:

(a) this Letter of Transmittal is signed by the registered holder of the shares exactly as the name of the registered holder appears on the certificate, tendered with this Letter of Transmittal, and payment and delivery are to be made directly to such registered holder and such registered holder has not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" above; or

(b) such shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act, each of the foregoing entities referred to as an "Eligible Institution."

In all other cases, an Eligible Institution must guarantee all signatures on this Letter of Transmittal. Stockholders may also need to have any certificates they deliver endorsed or accompanied by a stock power, and the signatures on these documents also may need to be guaranteed. See Instruction 7.

2. Delivery of Letter of Transmittal and Certificates. This Letter of Transmittal is to be completed only if certificates for shares are delivered with it to the Depositary or if a tender for shares is being made concurrently pursuant to the procedure for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase. Certificates for all physically tendered shares or confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of shares tendered electronically, together in each case with a properly completed and duly executed Letter of Transmittal, and any other documents required by this Letter of Transmittal, should be mailed or delivered to the Depositary at the appropriate address set forth herein and must be delivered to the Depositary on or before the expiration date. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH SUCH BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES FOR SHARES, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY.

Rent-A-Center will not accept any alternative or contingent tenders, nor will it purchase any fractional shares, except as expressly provided in the Offer to Purchase. All tendering stockholders, by execution of this Letter of Transmittal (or a facsimile of it), waive any right to receive any notice of the acceptance of their tender.

3. Inadequate Space. If the space provided in the box entitled "Description of Shares Tendered" above is inadequate, the certificate numbers and/or the number of shares should be listed on a separate signed schedule and attached to this Letter of Transmittal.

4. Partial Tenders and Unpurchased Shares. (Not applicable to stockholders who tender by book-entry transfer.) If fewer than all of the shares evidenced by any certificate are to be tendered, fill in the number of shares that are to be tendered in the column entitled "Number of Shares Tendered" in the box entitled "Description of Shares Tendered" above. In such case, if any tendered shares are purchased, a new certificate for the remainder of the shares (including any shares not purchased) evidenced by the old certificate(s) will be issued and sent to the registered holder(s) thereof, unless otherwise specified in either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" above, promptly after the expiration date. Unless otherwise indicated, all shares represented by the certificate(s) set forth above and delivered to the Depositary will be deemed to have been tendered.

5. Indication of Price at Which Shares are Being Tendered. For shares to be properly tendered, the stockholder MUST complete the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" by either (1) checking the box in the section captioned "Shares Tendered at Price Determined Under the Tender Offer" in order to maximize the chance of having Rent-A-Center purchase all of the shares tendered (subject to the possibility of proration) or (2) checking the box indicating the price per share at which such holder is tendering shares under "Shares Tendered at Price Determined by Stockholder." Selecting option (1) could result in the stockholder receiving a price per share as low as \$67.00. ONLY ONE BOX UNDER (1) OR (2) MAY BE CHECKED. IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES. A stockholder wishing to tender a portion(s) of such stockholder's share holdings at different prices must complete a separate Letter of Transmittal for each price at which such stockholder wishes to tender each such portion of such stockholder's shares. To obtain additional copies of this Letter of Transmittal, contact the Information Agent at the telephone number and address set forth on the back cover of this Letter of Transmittal. The same shares cannot be tendered more than once, unless previously tendered shares are properly withdrawn as provided in Section 4 of the Offer to Purchase.

6. Conditional Tenders. As described in Section 3 and Section 6 of the Offer to Purchase, stockholders may condition their tenders on all or a minimum number of their tendered shares being purchased. If Rent-A-Center is to purchase less than all of the shares tendered before the expiration date and not properly withdrawn, the Depository will perform a preliminary proration, and any shares tendered at or below the purchase price pursuant to a conditional tender for which the condition was not satisfied will automatically be regarded as withdrawn, subject to reinstatement if such conditionally tendered shares are subsequently selected by random lot for purchase subject to Sections 3 and 6 of the Offer to Purchase. CONDITIONAL TENDERS WILL BE SELECTED BY RANDOM LOT ONLY FROM STOCKHOLDERS WHO TENDER ALL OF THEIR SHARES. If conditional tenders would otherwise be so regarded as withdrawn and would cause the total number of shares to be purchased to fall below 2,200,000 then, to the extent feasible, Rent-A-Center will select enough of such conditional tenders that would otherwise have been so withdrawn to permit Rent-A-Center to purchase 2,200,000 shares. In selecting among such conditional tenders, Rent-A-Center will select by random lot and will limit its purchases in each case to the designated minimum number of shares to be purchased.

All tendered shares will be deemed unconditionally tendered unless the "Conditional Tender" box is completed. The conditional tender alternative is made available so that a stockholder may assure that the purchase of shares from the stockholder pursuant to the tender offer will be treated as a sale of the shares by the stockholder, rather than the payment of a dividend to the stockholder, for federal income tax purposes. It is the tendering stockholder's responsibility to calculate the minimum number of shares that must be purchased from the stockholder in order for the stockholder to qualify for sale (rather than dividend) treatment, and each stockholder is urged to consult with his or her own tax advisor. See Section 14 of the Offer to Purchase.

Any tendering stockholder wishing to make a conditional tender must calculate and appropriately indicate such minimum number of shares. Odd lot shares, which will not be subject to proration, cannot be conditionally tendered.

7. Signatures on Letter of Transmittal; Stock Powers and Endorsements.

(a) If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

(b) If the shares tendered hereby are registered in the names of two or more joint holders, each such holder must sign this Letter of Transmittal.

(c) If any tendered shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

(d) When this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, no endorsement(s) of certificate(s) representing such shares or separate stock power(s) are required unless payment is to be made or the certificate(s) for shares not tendered or not purchased are to be issued to a person other than the registered holder(s) thereof. SIGNATURE(S) ON SUCH CERTIFICATE(S) MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION. If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) listed, or if payment is to be made or certificate(s) for shares not tendered or not purchased are to be issued to a person other than the registered holder(s) thereof, such certificate(s) must be endorsed or accompanied by appropriate stock power(s), in either case signed exactly as the name(s) of the registered holder(s) appears on the certificate(s), and the signature(s) on such certificate(s) or stock power(s) must be guaranteed by an Eligible Institution. See Instruction 1.

(e) If this Letter of Transmittal or any certificate(s) or stock power(s) are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, such person should so indicate when signing this Letter of Transmittal and must submit proper evidence satisfactory to Rent-A-Center of his authority so to act.

8. Stock Transfer Taxes. Except as provided in this Instruction 8, no stock transfer tax stamps or funds to cover such stamps need accompany this Letter of Transmittal. Rent-A-Center will pay or cause to be paid any stock transfer taxes payable on the transfer to it of shares purchased pursuant to the tender offer. If, however, either:

(a) payment of the purchase price for shares tendered hereby and accepted for purchase is to be made to any person other than the registered holder(s); or

(b) shares not tendered or not accepted for purchase are to be registered in the name(s) of any person(s) other than the registered holder(s); or

(c) certificate(s) representing tendered shares are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal;

then the Depository will deduct from such purchase price the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person(s) or otherwise) payable on account of the transfer to such person, unless satisfactory evidence of the payment of such taxes or any exemption from them is submitted.

9. Odd Lots. As described in Section 1 of the Offer to Purchase, if Rent-A-Center is to purchase fewer than all shares tendered before the expiration date and not properly withdrawn, the shares purchased first will consist of all shares properly tendered by any stockholder who owns, beneficially or of record, an aggregate of fewer than 100 shares (not including any shares held in Rent-A-Center's 401(k) Plan), and who tenders all of such holder's shares at or below the purchase price (an "Odd Lot Holder"). This preference will not be available unless the box captioned "Odd Lots" is completed.

10. Order of Purchase in Event of Proration. As described in Section 1 of the Offer to Purchase, stockholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the federal income tax classification of any gain or loss on the shares purchased. See Section 1 and Section 14 of the Offer to Purchase.

11. Special Payment and Delivery Instructions. If certificate(s) for shares not tendered or not purchased and/or check(s) are to be issued in the name of a person other than the signer of this Letter of Transmittal or if such certificates and/or checks are to be sent to someone other than the person signing this Letter of Transmittal or to the signer at a different address, the box entitled "Special Payment Instructions" and/or the box entitled "Special Delivery Instructions" on this Letter of Transmittal should be completed as applicable and signatures must be guaranteed as described in Instructions 1 and 7.

12. Irregularities. All questions as to the number of shares to be accepted, the price to be paid therefor and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares will be determined by Rent-A-Center in its sole discretion, which determination shall be final and binding on

all parties. Rent-A-Center reserves the absolute right to reject any or all tenders of shares it determines not to be in proper form or the acceptance of which or payment for which may, in the opinion of Rent-A-Center's counsel, be unlawful. Rent-A-Center also reserves the absolute right to waive any of the conditions of the tender offer or any defect or irregularity in any tender with respect to any particular shares or any particular stockholder, and Rent-A-Center's interpretation of the terms of the tender offer, including these Instructions, will be final and binding on all parties. No tender of shares will be deemed to be properly made until all defects and irregularities have been cured by the tendering stockholder or waived by Rent-A-Center. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Rent-A-Center shall determine. None of Rent-A-Center, the Dealer Manager, the Depositary, the Information Agent or any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

13. Questions and Requests for Assistance and Additional Copies. Questions and requests for assistance may be directed to, or additional copies of the Offer to Purchase, this Letter of Transmittal, and other related materials may be obtained from, the Information Agent at the telephone number and address set forth on the back cover of this Letter of Transmittal. You may also contact the Dealer Manager at its address and telephone number set forth on the back cover of this Letter of Transmittal or your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

14. Important Tax Information and Substitute Form W-9. Under the United States federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 28% of the gross proceeds payable to a stockholder or other payee pursuant to the tender offer must be withheld and remitted to the United States Internal Revenue Service ("IRS") unless the stockholder or other payee provides its taxpayer identification number ("TIN") (employer identification number or social security number) to the Depositary (as payer) and certifies under penalty of perjury that such number is correct. Therefore, each tendering stockholder should complete and sign the Substitute Form W-9 included as part of this Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding, unless such stockholder otherwise establishes to the satisfaction of the Depositary that it is not subject to backup withholding. If the Depositary is not provided with the correct TIN, the tendering stockholder also may be subject to penalties imposed by the IRS. The box in Part 3 of the form should be checked if the tendering stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is checked and the Depositary is not provided with a TIN prior to payment, the Depositary will withhold 28% on all such payments. If the tendering stockholder provides the Depositary with a certified TIN within 60 days, the amount withheld shall be refunded by the Depositary. If withholding results in an overpayment of taxes, a refund may be obtained. Certain "exempt recipients" (including, among others, all corporations and certain Non-United States Holders (as defined below)) are not subject to these backup withholding requirements. In order for a Non-United States Holder to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN (or other applicable IRS Form), signed under penalties of perjury, attesting to that stockholder's exempt status. Such statement can be obtained from the Depositary.

15. Withholding on Non-United States Holder. Even if a Non-United States Holder (as defined below) has provided the required certification to avoid backup withholding, the Depositary will withhold United States federal income taxes equal to 30% of the gross payments payable to a Non-United States Holder or such holder's agent unless the Depositary determines that a reduced rate of withholding is available pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the Non-United States Holder's conduct of a trade or business within the United States. For this purpose, a "Non-United States Holder" is any stockholder that for United States federal income tax purposes is not (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or any State or division thereof (including the District of Columbia), (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income, or (iv) a trust (a) if a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more United States persons have the authority to control all of the substantial decisions of the trust, or certain trusts considered United States persons for

federal income tax purposes. In order to obtain a reduced rate of withholding pursuant to a tax treaty, a Non-United States Holder must deliver to the Depository before the payment a properly completed and executed IRS Form W-8BEN (or other applicable IRS Form). In order to obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to the Depository a properly completed and executed IRS Form W-8ECI. The Depository will determine a stockholder's status as a Non-United States Holder and eligibility for a reduced rate of, or an exemption from, withholding by reference to outstanding certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., IRS Form W-8BEN or IRS Form W-8ECI) unless facts and circumstances indicate that such reliance is not warranted. A Non-United States Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such Non-United States Holder meets those tests described in Section 14 of the Offer to Purchase that would characterize the exchange as a sale (as opposed to a dividend) or is otherwise able to establish that no tax or a reduced amount of tax is due.

NON-UNITED STATES HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF UNITED STATES FEDERAL INCOME TAX WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING TAX REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.

16. Lost, Stolen, Destroyed or Mutilated Certificates. If any certificate(s) representing shares has been lost, stolen, destroyed or mutilated, the stockholder should promptly notify the Depository and indicate the number of shares so lost, stolen, destroyed or mutilated. Such stockholder will then be instructed by the Depository as to the steps that must be taken in order to replace the certificate. A bond may be required to be posted by the stockholder to secure against the risk that the certificate may be subsequently recirculated. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, stolen, destroyed or mutilated certificates have been followed. Stockholders may contact the Depository to expedite such process.

IMPORTANT: THIS LETTER OF TRANSMITTAL, PROPERLY COMPLETED AND DULY EXECUTED, TOGETHER WITH CERTIFICATES REPRESENTING SHARES BEING TENDERED OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE. STOCKHOLDERS ARE ENCOURAGED TO RETURN A COMPLETED SUBSTITUTE FORM W-9 WITH THIS LETTER OF TRANSMITTAL.

PAYER'S NAME: RENT-A-CENTER, INC.

SUBSTITUTE
FORM W-9

PART 1 -- PLEASE PROVIDE YOUR TIN IN THE
BOX TO THE RIGHT AND CERTIFY BY SIGNING AND
DATING BELOW. -----
Social Security Number(s)

OR-----
Federal Employer
Identification Number(s)

DEPARTMENT OF THE
TREASURY INTERNAL
REVENUE SERVICE
PAYER'S REQUEST FOR
TAXPAYER IDENTIFICATION
NUMBER ("TIN") AND
CERTIFICATIONS

PART 2 -- Certification -- Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct taxpayer identification
number (or I am waiting for a number to be issued for me), and
(2) I am not subject to backup withholding because: (a) I am exempt from
backup withholding, or (b) I have not been notified by the Internal Revenue
Service (IRS) that I am subject to backup withholding as a result of a
failure to report all interest or dividends, or (c) the IRS has notified
me that I am no longer subject to backup withholding.
Certification Instructions -- You must cross out item (2) above if you have
been notified by the IRS that you are currently subject to backup withholding
because of underreporting interest or dividends on your tax return.

Name

Address (Include Zip Code)

Signature

Date

PART 3 --
Awaiting
TIN -- []

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN A \$50 PENALTY
IMPOSED BY THE INTERNAL REVENUE SERVICE AND BACKUP WITHHOLDING OF 28% OF
ANY CASH PAYMENTS MADE TO YOU PURSUANT TO AN OFFER. PLEASE REVIEW THE
ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER
ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

NOTE: YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN
PART 3 OF THE SUBSTITUTE FORM W-9.

CERTIFICATION OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has
not been issued to me, and either (1) I have mailed or delivered an application
to receive a taxpayer identification number to the appropriate Internal Revenue
Service Center or Social Security Administration office or (2) I intend to mail
or deliver an application in the near future. I understand that if I do not
provide a taxpayer identification number by the time of payment, 28% of all
reportable cash payments payable to me thereafter will be withheld until I
provide a taxpayer identification number to the payer and that, if I do not
provide my taxpayer identification number within sixty days, such retained
amounts shall be remitted to the IRS as backup withholding.

Signature

Date: -----, 2003

The Information Agent for the Offer:

D. F. KING & CO., INC.
48 WALL STREET
NEW YORK, NY 10005
BANKS AND BROKERS CALL: (212) 269-5550
ALL OTHERS CALL TOLL FREE: (800) 431-9642

The Dealer Manager for the Offer is:

LEHMAN BROTHERS
745 SEVENTH AVENUE
2ND FLOOR
NEW YORK, NEW YORK 10019
CALL TOLL FREE: (800) 524-4462
ATTENTION: KEVIN BLUM

RENT-A-CENTER, INC.

SUPPLEMENT TO THE OFFER TO PURCHASE
FOR CASH
UP TO 2,200,000 SHARES OF ITS COMMON STOCK
AT AN INCREASED PURCHASE PRICE NOT GREATER THAN \$73.00
NOR LESS THAN \$66.00 PER SHARE
PURSUANT TO THE OFFER TO PURCHASE
DATED APRIL 28, 2003, AS AMENDED
CUSIP NO. 76009N 10 0

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

To Our Stockholders:

On April 28, 2003, Rent-A-Center, Inc. ("Rent-A-Center") distributed an Offer to Purchase and Letter of Transmittal related to its modified "Dutch Auction" tender offer to purchase up to 2,200,000 shares of its common stock at a price not less than \$60.00 per share and not greater than \$66.00 per share. The tender offer was scheduled to expire on June 5, 2003. Rent-A-Center has extended the expiration date of the tender offer to 12:00 midnight, New York City time, on Thursday, June 19, 2003. Rent-A-Center has also increased the range of purchase prices to not less than \$67.00 per share and not more than \$73.00 per share. The maximum number of shares to be purchased remains 2,200,000.

The offer to purchase was originally made upon the terms and subject to the conditions described in the Offer to Purchase dated April 28, 2003 (the "Offer to Purchase") and the related Letter of Transmittal (the "Original Letter of Transmittal") previously distributed to stockholders. The Offer to Purchase has been amended and supplemented by the enclosed Supplement to the Offer to Purchase (the "Supplement") and the related amended Letter of Transmittal (the "Letter of Transmittal"). The Offer to Purchase, the Supplement and the Letter of Transmittal, as amended or supplemented from time to time, together constitute the tender offer. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Offer to Purchase. The description of the tender offer in this letter is only a summary and is qualified by all of the terms and conditions of the tender offer set forth in the Offer to Purchase, the Supplement and Letter of Transmittal.

TENDERS OF SHARES, LETTERS OF TRANSMITTAL AND INSTRUCTIONS TO BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR OTHER NOMINEE HOLDERS SUBMITTED IN CONNECTION WITH THE ORIGINAL OFFER TO PURCHASE ARE NO LONGER EFFECTIVE, WITH A LIMITED EXCEPTION FOR CERTAIN PARTICIPANTS IN OUR 401(K) PLAN DESCRIBED BELOW. ALL OTHER STOCKHOLDERS THAT WISH TO PARTICIPATE IN THE TENDER OFFER SHOULD TREAT THIS EXTENSION AS A NEW TENDER OFFER, WHETHER OR NOT THEY WISH TO MAKE ANY CHANGE IN THEIR PREVIOUS INSTRUCTIONS. PARTICIPANTS IN OUR 401(K) PLAN THAT SPECIFIED ON THE YELLOW TRUSTEE DIRECTION FORM THAT THEY ARE WILLING TO SELL THE SHARES IN THEIR 401(K) PLAN ACCOUNT TO US AT THE PRICE DETERMINED BY US IN THE TENDER OFFER, AND THAT DO NOT WISH TO CHANGE THAT DIRECTION, DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THIS SUPPLEMENT.

Rent-A-Center will determine a single per share price that it will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares tendered and the prices specified by tendering stockholders. Rent-A-Center will select the lowest purchase price that will allow it to purchase 2,200,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$73.00 per share nor less than \$67.00 per share. All shares properly

tendered at or below the purchase price and not properly withdrawn will be purchased at the purchase price selected by Rent-A-Center, subject to proration provisions. All shares acquired in the tender offer will be acquired at the same purchase price. Rent-A-Center reserves the right, in its sole discretion, to purchase more than 2,200,000 shares in the tender offer, subject to applicable law. Shares tendered at prices greater than the purchase price and shares not purchased because of proration provisions will be returned to the tendering stockholders at Rent-A-Center's expense. See Section 1 and Section 3 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 2,200,000 shares (or such greater number of shares as Rent-A-Center may elect to purchase pursuant to the tender offer), Rent-A-Center will, on the terms and subject to the conditions of the tender offer, purchase at the purchase price selected by Rent-A-Center all shares so tendered.

If at the expiration of the tender offer more than 2,200,000 shares (or any such greater number of shares as Rent-A-Center may elect to purchase) are properly tendered at or below the purchase price, Rent-A-Center will buy shares first, from all stockholders owning beneficially or of record an aggregate of fewer than 100 shares (not including any shares held in Rent-A-Center's 401(k) Plan) (an "Odd Lot Holder") who properly tender all their shares at or below the purchase price selected by Rent-A-Center; second, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by Rent-A-Center, subject to any conditional tenders; and third, if necessary to permit Rent-A-Center to purchase 2,200,000 shares, from holders who have tendered only shares subject to the condition that a specified minimum number of the holder's shares are purchased in the tender offer as described in Section 6 of the Offer to Purchase (for which the condition was not initially satisfied, and provided such holders have tendered all of their shares) by random lot, to the extent feasible. See Section 1 and Section 6 of the Offer to Purchase.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

If the tender offer is not fully subscribed by the extended expiration date, Rent-A-Center will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, the Chief Executive Officer, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All other stockholders could also tender shares (or withdraw previously tendered shares) during this extension. Mr. Speese has advised Rent-A-Center that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of Rent-A-Center's stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer. Apollo has indicated that in the case of a second three business day extension of the tender offer, it will consider tendering up to 2,000,000 shares at the maximum price based on the market price and other considerations at that time. Rent-A-Center's other directors and executive officers have indicated that they do not intend to tender any shares in the tender offer. Rent-A-Center has entered into an agreement with Apollo to purchase at the final tender offer price a portion of its shares following completion of the tender offer. See Section 12 of the Offer to Purchase and the Supplement.

Please note the following:

1. You may tender your shares at prices not greater than \$73.00 per share nor less than \$67.00 per share, as indicated in the attached Letter of Transmittal, net to you in cash, without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions set forth in the Offer to Purchase.
4. The tender offer, proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Thursday, June 19, 2003, unless Rent-A-Center extends the tender offer.

5. The tender offer is for 2,200,000 shares, constituting approximately 6.3% of the shares outstanding as of June 5, 2003.

6. Tendering stockholders who are tendering shares held in their name or who tender their shares directly to the Depository (as defined in the Offer to Purchase) will not be obligated to pay any brokerage commissions or fees to Rent-A-Center or the Dealer Manager (as defined in the Offer to Purchase), solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on Rent-A-Center's purchase of shares under the tender offer.

7. If you wish to tender portions of your shares at different prices, you must complete and submit a separate Letter of Transmittal for each price at which you wish to tender each such portion of your shares.

8. If you are an Odd Lot Holder and you tender all such shares at or below the purchase price before the expiration of the tender offer and check the appropriate boxes in the section entitled "Odd Lots" on the attached Letter of Transmittal, Rent-A-Center will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered at or below the purchase price and not properly withdrawn.

YOUR PROMPT ACTION IS REQUESTED. PLEASE NOTE THAT THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

If you wish to condition your tender upon the purchase of all shares tendered or upon Rent-A-Center's purchase of a specified minimum number of the shares which you tender, you may elect to do so and thereby avoid possible proration of your tender. Rent-A-Center's purchase of shares from all tenders which are so conditioned will be determined by random lot. To elect such a condition, complete the box entitled "Conditional Tender" in the attached Letter of Transmittal.

The tender offer is being made solely under the Offer to Purchase as amended by the Supplement and the related Letter of Transmittal and is being made to all record holders of shares of common stock of Rent-A-Center. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares of common stock of Rent-A-Center residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

On June 5, 2003, the last full trading day prior to the announcement of our intention to extend and reprice the tender offer, the last reported sale price of Rent-A-Center's shares on The Nasdaq National Market was \$71.41 per share. Any stockholder whose shares are properly tendered directly to Mellon Investor Services LLC, the Depository for the tender offer, and purchased in the tender offer, will not incur the usual transaction costs associated with open market sales. If you hold shares through a broker or bank, you should consult your broker or bank to determine whether any transaction costs are applicable. If you own fewer than 100 shares, the tender offer is an opportunity for you to sell your shares without having to pay "odd lot" discounts.

If you have any questions regarding the tender offer or need assistance in tendering your shares, please contact Lehman Brothers Inc., the Dealer Manager for the tender offer, at (800) 524-4462 (toll free), or D. F. King & Co., Inc., the Information Agent for the tender offer, at (800) 431-9642 (toll-free).

June 5, 2003

Sincerely,

-s- Mitchell E. Fadel

Mitchell E. Fadel,
President and Chief Operating Officer

RENT-A-CENTER, INC.

SUPPLEMENT TO OFFER TO PURCHASE
FOR CASH
UP TO 2,200,000 SHARES OF ITS COMMON STOCK
AT AN INCREASED PURCHASE PRICE NOT GREATER THAN \$73.00
NOR LESS THAN \$67.00 PER SHARE
PURSUANT TO THE OFFER TO PURCHASE
DATED APRIL 28, 2003, AS AMENDED
CUSIP NO. 76009N 10 0

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

On April 28, 2003, Rent-A-Center, Inc. ("Rent-A-Center") distributed an Offer to Purchase and Letter of Transmittal related to its modified "Dutch Auction" tender offer to purchase up to 2,200,000 shares of its common stock at a price not less than \$60.00 per share and not greater than \$66.00 per share. The tender offer was scheduled to expire on June 5, 2003. Rent-A-Center has extended the expiration date of the tender offer to 12:00 midnight, New York City time, on Thursday, June 19, 2003. Rent-A-Center has also increased the range of purchase prices to not less than \$67.00 per share and not more than \$73.00 per share. The maximum number of shares to be purchased remains 2,200,000.

The offer to purchase was originally made upon the terms and subject to the conditions described in the Offer to Purchase dated April 28, 2003 (the "Offer to Purchase") and the related Letter of Transmittal (the "Original Letter of Transmittal") previously distributed to stockholders. The Offer to Purchase has been amended and supplemented by the enclosed Supplement to Offer to Purchase (the "Supplement") and the related amended Letter of Transmittal (the "Letter of Transmittal"). The Offer to Purchase, the Supplement and the Letter of Transmittal, as amended or supplemented from time to time, together constitute the tender offer. Rent-A-Center has appointed us to act as Dealer Manager in connection with the tender offer. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Offer to Purchase. The description of the tender offer in this letter is only a summary and is qualified by all of the terms and conditions of the tender offer set forth in the Offer to Purchase, the Supplement and Letter of Transmittal.

ALL SHARES TENDERED FROM NOMINEE ACCOUNTS PRIOR TO THE EXTENSION OF THE EXPIRATION DATE HAVE BEEN WITHDRAWN. YOU MUST SUBMIT A NEW LETTER OF TRANSMITTAL TO PARTICIPATE IN THE EXTENDED TENDER OFFER.

Rent-A-Center will determine a single per share price that it will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares tendered and the prices specified by tendering stockholders. Rent-A-Center will select the lowest purchase price that will allow it to purchase 2,200,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$73.00 per share nor less than \$67.00 per share. All shares properly tendered at or below the purchase price and not properly withdrawn will be purchased at the purchase price selected by Rent-A-Center, subject to proration provisions. All shares acquired in the tender offer will be acquired at the same purchase price. Rent-A-Center reserves the right, in its sole discretion, to purchase more than 2,200,000 shares in the tender offer, subject to applicable law. Shares tendered at prices in excess of the

purchase price and shares not purchased because of proration provisions will be returned to the tendering stockholders at Rent-A-Center's expense. See Section 1 and Section 3 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 2,200,000 shares (or such greater number of shares as Rent-A-Center may elect to purchase pursuant to the tender offer), Rent-A-Center will, on the terms and subject to the conditions of the tender offer, purchase at the purchase price selected by Rent-A-Center all shares so tendered.

If at the expiration of the tender offer more than 2,200,000 shares (or any such greater number of shares as Rent-A-Center may elect to purchase) are properly tendered at or below the purchase price selected by Rent-A-Center, Rent-A-Center will buy shares first, from all stockholders owning beneficially or of record an aggregate of fewer than 100 shares (not including any shares held in Rent-A-Center's 401(k) Plan) who properly tender all their shares at or below the purchase price selected by Rent-A-Center and do not properly withdraw them before the expiration date; second, on a pro rata basis from all other stockholders (including participants in Rent-A-Center's 401(k) Plan) who properly tender shares at or below the purchase price selected by Rent-A-Center, subject to any conditional tenders; and third, only if necessary to permit Rent-A-Center to purchase 2,200,000 shares, from holders who have tendered shares subject to the condition that a specified minimum number of the holder's shares be purchased if any shares are purchased in the tender offer as described in Section 6 of the Offer to Purchase (for which the condition was not initially satisfied, and provided such holders have tendered all of their shares) by random lot, to the extent feasible. See Section 1 and Section 6 of the Offer to Purchase.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

If the tender offer is not fully subscribed by the extended expiration date, Rent-A-Center will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, the Chief Executive Officer, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All other stockholders could also tender shares (or withdraw previously tendered shares) during this extension. Mr. Speese has advised Rent-A-Center that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of Rent-A-Center's stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer. Apollo has indicated that in the case of a second three business day extension of the tender offer, it will consider tendering up to 2,000,000 shares at the maximum price based on the market price and other considerations at that time. Rent-A-Center's other directors and executive officers have indicated that they do not intend to tender any shares in the tender offer. Rent-A-Center has entered into an agreement with Apollo to purchase at the final tender offer price a portion of its shares following completion of the tender offer. See Section 12 of the Offer to Purchase and the Supplement.

For your information and for forwarding to those of your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Supplement;
2. The Letter of Transmittal for your use and for the information of your clients, together with the accompanying Substitute Form W-9;
3. A letter to the stockholders of Rent-A-Center dated June 5, 2003, from the President and Chief Operating Officer of Rent-A-Center;
4. A letter to clients that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the tender offer; and
5. A return envelope addressed to Mellon Investor Services LLC, as Depository for the tender offer.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE TENDER OFFER, PRORATION

PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

For shares to be tendered properly pursuant to the tender offer the certificates for such shares, or confirmation of receipt of such shares pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase, together with (a) a properly completed and duly executed Letter of Transmittal including any required signature guarantees, (b) an Agent's Message (as described in Section 3 of the Offer to Purchase) in the case of a book-entry transfer or (c) the specific acknowledgement in the case of a tender through the Automated Tender Offer Program (as described in Section 3 of the Offer to Purchase) of the Book-Entry Transfer Facility, and any other documents required by the Letter of Transmittal, must be received before 12:00 midnight, New York City time, on the expiration date by the Depository at one of its addresses set forth on the back cover of the Offer to Purchase.

THERE ARE NO GUARANTEED DELIVERY PROCEDURES ASSOCIATED WITH THE TENDER OFFER.

Rent-A-Center will not pay any fees or commissions to brokers, dealers, commercial banks or trust companies or other nominees (other than fees to the Dealer Manager and the Information Agent as described in Section 16 of the Offer to Purchase) for soliciting tenders of shares pursuant to the tender offer. Rent-A-Center will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies or other nominees for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of Rent-A-Center, the Dealer Manager, the Information Agent or the Depository for purposes of the tender offer. Rent-A-Center will pay or cause to be paid all stock transfer taxes, if any, on its purchase of the shares except as otherwise provided in the Offer to Purchase or Instruction 8 in the Letter of Transmittal.

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and addresses set forth on the back cover of the Offer to Purchase. You may request additional copies of enclosed materials and direct questions and requests for assistance to the Information Agent, D. F. King & Co., Inc. at: (800) 431-9642.

Very truly yours

LEHMAN BROTHERS INC.

Enclosures

NOTHING CONTAINED IN THIS DOCUMENT OR IN THE ENCLOSED DOCUMENTS WILL MAKE YOU OR ANY OTHER PERSON AN AGENT OF RENT-A-CENTER, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY OR ANY AFFILIATE OF ANY OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE TENDER OFFER OTHER THAN THE DOCUMENTS ENCLOSED AND THE STATEMENTS CONTAINED IN THOSE DOCUMENTS.

RENT-A-CENTER, INC.

SUPPLEMENT TO THE OFFER TO PURCHASE
FOR CASH
UP TO 2,200,000 SHARES OF ITS COMMON STOCK
AT AN INCREASED PURCHASE PRICE NOT GREATER THAN \$73.00
NOR LESS THAN \$67.00 PER SHARE
PURSUANT TO THE OFFER TO PURCHASE
DATED APRIL 28, 2003, AS AMENDED
CUSIP NO. 76009N 10 0

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

To Our Clients:

On April 28, 2003, Rent-A-Center, Inc. ("Rent-A-Center") distributed an Offer to Purchase and Letter of Transmittal related to its modified "Dutch Auction" tender offer to purchase up to 2,200,000 shares of its common stock at a price not less than \$60.00 per share and not greater than \$66.00 per share. The tender offer was scheduled to expire on June 5, 2003. Rent-A-Center has extended the expiration date of the tender offer to 12:00 midnight, New York City time, on Thursday, June 19, 2003. Rent-A-Center has also increased the range of purchase prices to not less than \$67.00 per share and not more than \$73.00 per share. The maximum number of shares to be purchased remains 2,200,000.

The tender offer was originally made upon the terms and subject to the conditions described in the Offer to Purchase dated April 28, 2003 (the "Offer to Purchase") and the related Letter of Transmittal (the "Original Letter of Transmittal") previously distributed to stockholders. The Offer to Purchase has been amended and supplemented by the enclosed Supplement to the Offer to Purchase (the "Supplement") and the related amended Letter of Transmittal (the "Letter of Transmittal"). The Offer to Purchase, the Supplement and the Letter of Transmittal, as amended or supplemented from time to time, together constitute the tender offer. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Offer to Purchase. The description of the tender offer in this letter is only a summary and is qualified by all of the terms and conditions of the tender offer set forth in the Offer to Purchase, the Supplement and Letter of Transmittal.

YOU MAY ALREADY HAVE PROVIDED US WITH INSTRUCTIONS IN CONNECTION WITH THE ORIGINAL OFFER TO PURCHASE. THESE INSTRUCTIONS ARE NO LONGER EFFECTIVE. YOU MUST PROVIDE US WITH NEW INSTRUCTIONS IF YOU INTEND TO PARTICIPATE IN THE TENDER OFFER.

Rent-A-Center will determine a single per share price that it will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares tendered and the prices specified by tendering stockholders. Rent-A-Center will select the lowest purchase price that will allow it to purchase 2,200,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$73.00 per share nor less than \$67.00 per share. All shares properly tendered at or below the purchase price and not properly withdrawn will be purchased at the purchase price selected by Rent-A-Center, subject to proration provisions. All shares acquired in the tender offer will be acquired at the same purchase price. Rent-A-Center reserves the right, in its sole discretion, to purchase more than 2,200,000 shares in the tender offer, subject to applicable law. Shares tendered at prices greater than the purchase price and shares not purchased because of proration provisions will be returned to the tendering stockholders at Rent-A-Center's expense. See Section 1 and Section 3 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 2,200,000 shares (or such greater number of shares as Rent-A-Center may elect to purchase pursuant to the tender offer), Rent-A-Center will, on the terms and subject to the conditions of the tender offer, purchase at the purchase price selected by Rent-A-Center all shares so tendered.

If at the expiration of the tender offer more than 2,200,000 shares (or any such greater number of shares as Rent-A-Center may elect to purchase) are properly tendered at or below the purchase price, Rent-A-Center will buy shares first, from all stockholders owning beneficially or of record, an aggregate of fewer than 100 shares (not including any shares held in Rent-A-Center's 401(k) Plan) (an "Odd Lot Holder") who properly tender all their shares at or below the purchase price selected by Rent-A-Center; second, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by Rent-A-Center, subject to any conditional tenders; and third, if necessary to permit Rent-A-Center to purchase 2,200,000 shares, from holders who have tendered only shares subject to the condition that a specified minimum number of the holder's shares are purchased in the tender offer as described in Section 6 of the Offer to Purchase (for which the condition was not initially satisfied, and provided such holders have tendered all of their shares) by random lot, to the extent feasible. See Section 1 and Section 6 of the Offer to Purchase.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

If the tender offer is not fully subscribed by the extended expiration date, Rent-A-Center will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, the Chief Executive Officer, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All other stockholders could also tender shares (or withdraw previously tendered shares) during this extension. Mr. Speese has advised Rent-A-Center that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of Rent-A-Center's stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer. Apollo has indicated that in the case of a second three business day extension of the tender offer, it will consider tendering up to 2,000,000 shares at the maximum price based on the market price and other considerations at that time. Rent-A-Center's other directors and executive officers have indicated that they do not intend to tender any shares in the tender offer. Rent-A-Center has entered into an agreement with Apollo to purchase at the final tender offer price a portion of its shares following completion of the tender offer. See Section 12 of the Offer to Purchase and the Supplement.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. WE ARE SENDING YOU THE LETTER OF TRANSMITTAL FOR YOUR INFORMATION ONLY; YOU CANNOT USE IT TO TENDER SHARES WE HOLD FOR YOUR ACCOUNT.

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account on the terms and subject to the conditions of the tender offer.

Please note the following:

1. You may tender your shares at prices not greater than \$73.00 per share nor less than \$67.00 per share, as indicated in the attached Instruction Form, net to you in cash, without interest.
2. You should consult with your broker or other financial or tax advisors on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions set forth in the Offer to Purchase.
4. The tender offer, proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Thursday, June 19, 2003, unless Rent-A-Center extends the tender offer.

5. The tender offer is for 2,200,000 shares, constituting approximately 6.3% of the shares outstanding as of June 5, 2003.

6. Tendering stockholders who are tendering shares held in their name or who tender their shares directly to the Depositary (as defined in the Offer to Purchase) will not be obligated to pay any brokerage commissions or fees to Rent-A-Center or the Dealer Manager (as defined in the Offer to Purchase), solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on Rent-A-Center's purchase of shares under the tender offer.

7. If you wish to tender portions of your shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.

8. If you are an Odd Lot Holder and you instruct us to tender on your behalf all such shares at or below the purchase price before the expiration of the tender offer and check the box captioned "Odd Lots" on the attached Instruction Form, Rent-A-Center, on the terms and subject to the conditions of the tender offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered at or below the purchase price and not properly withdrawn.

YOUR PROMPT ACTION IS REQUESTED. YOUR INSTRUCTION FORM SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION OF THE TENDER OFFER. PLEASE NOTE THAT THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003.

If you wish to condition your tender upon the purchase of all shares tendered or upon Rent-A-Center's purchase of a specified minimum number of the shares which you tender, you may elect to do so and thereby avoid possible proration of your tender. Rent-A-Center's purchase of shares from all tenders which are so conditioned will be determined by random lot. To elect such a condition, complete the box entitled "Conditional Tender" in the attached Instruction Form.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

The tender offer is being made solely under the Offer to Purchase, as amended by the Supplement and the related Letter of Transmittal and is being made to all record holders of shares of common stock of Rent-A-Center. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares of common stock of Rent-A-Center residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

INSTRUCTION FORM

The undersigned acknowledge(s) receipt of your letter and the Offer to Purchase, dated April 28, 2003, the Supplement, dated June 5, 2003, and the related amended Letter of Transmittal, which, as may be amended and supplemented from time to time, together constitute the tender offer, in connection with the offer by Rent-A-Center, Inc., a Delaware corporation ("Rent-A-Center"), to purchase for cash up to 2,200,000 shares of its common stock, \$0.01 par value per share, at a price, net to the seller in cash, without interest, not greater than \$73.00 per share nor less than \$67.00 per share, specified by the undersigned, on the terms and subject to the conditions of the tender offer.

The undersigned hereby instruct(s) you to tender to Rent-A-Center the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, at the price per share indicated below, on the terms and subject to the conditions of the tender offer.

AGGREGATE NUMBER OF SHARES TO BE TENDERED BY YOU FOR THE ACCOUNT OF THE UNDERSIGNED: _____ SHARES

PRICE (IN DOLLARS) PER SHARE
AT WHICH SHARES ARE BEING TENDERED
(SEE INSTRUCTION 5 IN THE LETTER OF TRANSMITTAL)

(1) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by Stockholder," the undersigned hereby tenders shares at the purchase price, as the same shall be determined by Rent-A-Center in accordance with the terms of the tender offer.

I want to maximize the chance of having Rent-A-Center accept for purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes below, I hereby tender shares at, and am willing to accept, the purchase price determined by Rent-A-Center in accordance with the terms of the tender offer and resulting from the tender offer process. This action may have the effect of lowering the purchase price and could result in receiving a price per share as low as \$67.00 per share.

OR

(2) SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by Rent-A-Center for the shares is less than the price checked below. A stockholder who desires to tender shares at more than one price must complete a separate Instruction Form for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

<input type="checkbox"/> \$67.00	<input type="checkbox"/> \$68.25	<input type="checkbox"/> \$69.50	<input type="checkbox"/> \$70.75	<input type="checkbox"/> \$72.00
<input type="checkbox"/> \$67.25	<input type="checkbox"/> \$68.50	<input type="checkbox"/> \$69.75	<input type="checkbox"/> \$71.00	<input type="checkbox"/> \$72.25
<input type="checkbox"/> \$67.50	<input type="checkbox"/> \$68.75	<input type="checkbox"/> \$70.00	<input type="checkbox"/> \$71.25	<input type="checkbox"/> \$72.50
<input type="checkbox"/> \$67.75	<input type="checkbox"/> \$69.00	<input type="checkbox"/> \$70.25	<input type="checkbox"/> \$71.50	<input type="checkbox"/> \$72.75
<input type="checkbox"/> \$68.00	<input type="checkbox"/> \$69.25	<input type="checkbox"/> \$70.50	<input type="checkbox"/> \$71.75	<input type="checkbox"/> \$73.00

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, THERE IS NO VALID TENDER OF SHARES.

ODD LOTS
(SEE INSTRUCTION 9 IN THE LETTER OF TRANSMITTAL)

To be completed ONLY if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (CHECK ONE BOX):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial or record owner of an aggregate of fewer than 100 shares and is tendering all of those shares.

In addition, the undersigned is tendering shares either (CHECK ONE BOX):

- at the purchase price, as the same shall be determined by Rent-A-Center in accordance with the terms of the tender offer (persons checking this box need not indicate the price per share below); or
- at the price per share indicated above under "Shares Tendered at Price Determined by Stockholder."

CONDITIONAL TENDER
(SEE INSTRUCTION 6 IN THE LETTER OF TRANSMITTAL)

A stockholder may tender shares subject to the condition that a specified minimum number of the stockholder's shares tendered must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any stockholder desiring to make a conditional tender must so indicate in the box below. Unless the minimum number of shares indicated below is purchased by Rent-A-Center in the tender offer, none of the shares tendered by such stockholder will be purchased. It is the responsibility of the stockholder to calculate that minimum number of shares that must be purchased if any are purchased, and Rent-A-Center urges stockholders to consult their own tax advisors before completing this section. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

- MINIMUM NUMBER OF SHARES THAT MUST BE PURCHASED, IF ANY ARE PURCHASED:

_____ SHARES.

If, because of proration, the minimum number of shares designated will not be purchased, Rent-A-Center may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below.

- THE TENDERED SHARES REPRESENT ALL SHARES HELD BY THE UNDERSIGNED.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

RENT-A-CENTER'S BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER RENT-A-CENTER NOR ANY MEMBER OF ITS BOARD OF DIRECTORS, THE DEALER MANAGER OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO STOCKHOLDERS AS TO WHETHER THEY SHOULD TENDER OR REFRAIN FROM TENDERING THEIR SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH THEY MAY CHOOSE TO TENDER THEIR SHARES. STOCKHOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER THEIR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH THEIR SHARES SHOULD BE TENDERED. IN DOING SO, STOCKHOLDERS SHOULD READ CAREFULLY THE INFORMATION IN THE OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING RENT-A-CENTER'S REASONS FOR MAKING THE TENDER OFFER. SEE SECTION 2 OF THE OFFER TO PURCHASE. STOCKHOLDERS SHOULD DISCUSS WHETHER TO TENDER THEIR SHARES WITH THEIR BROKER OR OTHER FINANCIAL OR TAX ADVISORS.

Signature(s):

Name(s):

(PLEASE PRINT)

Taxpayer Identification or Social Security Number:

Address(es):

(INCLUDING ZIP CODE)

Area Code/Phone Number:

Date:

RENT-A-CENTER, INC.

SUPPLEMENT TO OFFER TO PURCHASE
FOR CASH
UP TO 2,200,000 SHARES OF ITS COMMON STOCK
AT AN INCREASED PURCHASE PRICE NOT GREATER THAN \$73.00
NOR LESS THAN \$67.00 PER SHARE
PURSUANT TO THE OFFER TO PURCHASE
DATED APRIL 28, 2003, AS AMENDED
CUSIP NO. 76009N 10 0

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JUNE 19, 2003, UNLESS THE TENDER OFFER IS EXTENDED.

To the Participants in Our 401(k) Plan:

On April 28, 2003, Rent-A-Center, Inc. ("Rent-A-Center") distributed an Offer to Purchase and Letter of Transmittal related to its modified "Dutch Auction" tender offer to purchase up to 2,200,000 shares of its common stock at a price not less than \$60.00 per share and not greater than \$66.00 per share. The tender offer was scheduled to expire on June 5, 2003. Rent-A-Center has extended the expiration date of the tender offer to 12:00 midnight, New York City time, on Thursday, June 19, 2003. Rent-A-Center has also increased the range of purchase prices to not less than \$67.00 per share and not more than \$73.00 per share. The maximum number of shares to be purchased remains 2,200,000.

The offer to purchase was originally made upon the terms and subject to the conditions described in the Offer to Purchase dated April 28, 2003 (the "Offer to Purchase") and the related Letter of Transmittal (the "Original Letter of Transmittal") previously distributed to stockholders. The Offer to Purchase has been amended and supplemented by the enclosed Supplement to the Offer to Purchase (the "Supplement") and the related amended Letter of Transmittal (the "Letter of Transmittal"). The Offer to Purchase, the Supplement and the Letter of Transmittal, as amended or supplemented from time to time, together constitute the tender offer. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Offer to Purchase. The description of the tender offer in this letter is only a summary and is qualified by all of the terms and conditions of the tender offer set forth in the Offer to Purchase and Letter of Transmittal. As a participant in the Rent-A-Center Inc. Retirement Savings Plan (the "401(k) Plan") a portion of your 401(k) Plan account may be invested in Rent-A-Center common stock.

IF YOU HAVE PREVIOUSLY DIRECTED THE TRUSTEE TO SELL THE SHARES IN YOUR 401(k) PLAN ACCOUNT AT THE PRICE DETERMINED BY RENT-A-CENTER IN THE TENDER OFFER, YOU DO NOT NEED TO TAKE FURTHER ACTION. OTHERWISE, IF YOU DO NOT COMPLETE THE ENCLOSED YELLOW TRUSTEE DIRECTION FORM AND RETURN IT TO THE DEPOSITARY ON A TIMELY BASIS, YOU WILL BE DEEMED TO HAVE ELECTED NOT TO PARTICIPATE IN THE TENDER OFFER AND NO SHARES CREDITED TO YOUR 401(k) PLAN ACCOUNT WILL BE TENDERED IN THE TENDER OFFER.

Rent-A-Center will determine a single per share price that it will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares tendered and the prices specified by tendering stockholders. Rent-A-Center will select the lowest purchase price that will allow it to purchase 2,200,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$73.00 per share nor less than \$67.00 per share. All shares properly tendered at or below the purchase price and not properly withdrawn will be purchased at the purchase price

selected by Rent-A-Center, subject to proration provisions. All shares acquired in the tender offer will be acquired at the same purchase price. Rent-A-Center reserves the right, in its sole discretion, to purchase more than 2,200,000 shares in the tender offer, subject to applicable law. Shares tendered at prices greater than the purchase price and shares not purchased because of proration provisions will be returned to the tendering stockholders at Rent-A-Center's expense. See Section 1 and Section 3 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 2,200,000 shares (or such greater number of shares as Rent-A-Center may elect to purchase pursuant to the tender offer), Rent-A-Center will purchase at the purchase price selected by Rent-A-Center all shares so tendered.

If at the expiration of the tender offer more than 2,200,000 shares (or any such greater number of shares as Rent-A-Center may elect to purchase) are properly tendered at or below the purchase price, Rent-A-Center will buy shares first, from all stockholders owning beneficially or of record an aggregate of fewer than 100 shares (not including any shares held in Rent-A-Center's 401(k) Plan) (an "Odd Lot Holder") who properly tender all their shares at or below the purchase price selected by Rent-A-Center; second, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by Rent-A-Center, subject to any conditional tenders; and third, if necessary to permit Rent-A-Center to purchase 2,200,000 shares, from holders who have tendered only shares subject to the condition that a specified minimum number of the holder's shares are purchased in the tender offer as described in Section 6 of the Offer to Purchase (for which the condition was not initially satisfied, and provided such holders have tendered all of their shares) by random lot, to the extent feasible. See Section 1 and Section 6 of the Offer to Purchase.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

If the tender offer is not fully subscribed by the extended expiration date, Rent-A-Center will consider making a further extension at the same price range for not more than three business days to permit Mark Speese, the Chief Executive Officer, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. to make tenders sufficient to bring the total shares tendered by all holders to the maximum of 2,200,000 shares. All other stockholders could also tender shares (or withdraw previously tendered shares) during this extension. Mr. Speese has advised Rent-A-Center that he would tender up to 200,000 shares of common stock at \$73.00 per share in response to this second extension period so long as the market price of Rent-A-Center's stock at the time of the tender is not greater than \$73.00 plus customary transaction costs applicable in a sale outside the tender offer. Apollo has indicated that in the case of a second three business day extension of the tender offer, it will consider tendering up to 2,000,000 shares at the maximum price based on the market price and other considerations at that time. Rent-A-Center's other directors and executive officers have indicated that they do not intend to tender any shares in the tender offer. Rent-A-Center has entered into an agreement with Apollo to purchase at the final tender offer price a portion of its shares following completion of the tender offer. See Section 12 of the Offer to Purchase and the Supplement.

Enclosed with the tender offer materials is a YELLOW Trustee Direction Form that requires your immediate attention. These materials describe the tender offer and its terms in more detail. As described below, you have the right to instruct Intrust Bank, N.A. as trustee of the 401(k) Plan (the "Trustee") whether to tender shares of Rent-A-Center common stock credited to your individual account under the 401(k) Plan.

IF YOU DO NOT WISH TO DIRECT THE TENDER OF ANY PORTION OF THE SHARES IN YOUR 401(K) PLAN ACCOUNT, YOU DO NOT NEED TO TAKE ANY ACTION. IF YOU HAVE ALREADY SUBMITTED A YELLOW TRUSTEE DIRECTION FORM AND CHECKED THE BOX UNDER THE CAPTION "SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER" IN THE SECTION OF THE TRUSTEE DIRECTION FORM CAPTIONED "PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED," AND DO NOT WISH TO CHANGE THAT DIRECTION, YOU DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THE SUPPLEMENT. IF YOU HAVE ALREADY SUBMITTED A YELLOW TRUSTEE DIRECTION FORM AND CHECKED ONE OF THE BOXES UNDER THE CAPTION "SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER" IN THE SECTION OF THE TRUSTEE DIRECTION FORM ENTITLED "PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED," YOU MUST SUBMIT A NEW TRUSTEE DIRECTION FORM.

Rent-A-Center has hired Mellon Investor Services LLC as the Depository with respect to the tender offer. The Depository will receive each participant's tender directions and give them to the Trustee. The Trustee will then tender shares at the prices specified on behalf of all participants in the 401(k) Plan who elected to tender shares.

The remainder of this letter summarizes your rights under the 401(k) Plan and the procedures for completing the YELLOW Trustee Direction Form. You should also review the more detailed explanation provided in the Offer to Purchase, which is enclosed with this letter.

You must carefully follow the instructions below if you want to direct the Trustee to tender some or all of the shares held on your behalf in your 401(k) Plan account. Failure to follow these instructions properly may make you ineligible to direct the Trustee to tender shares held in your 401(k) Plan account in the tender offer. Shares held on your behalf in your 401(k) Plan account can be tendered only by following these instructions and by properly completing and returning the YELLOW Trustee Direction Form.

If you tender shares, the tender proceeds will be deposited into the Rent-A-Center, Inc. 401(k) Retirement Savings Plan trust account until you allocate the purchase price among the various investment funds under the 401(k) Plan in the usual manner.

Because the terms and conditions of the Letter of Transmittal will govern the tender of the shares held in your 401(k) Plan account, you should read the Letter of Transmittal carefully. THE LETTER OF TRANSMITTAL, HOWEVER, IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES THAT ARE HELD ON YOUR BEHALF IN YOUR 401(k) PLAN ACCOUNT. The Letter of Transmittal may only be used to tender shares held outside of the 401(k) Plan. If you hold shares outside of the 401(k) Plan and wish to tender those shares as well as shares held in your 401(k) Plan account, you must comply with the procedures described in the Letter of Transmittal and the Offer to Purchase for your shares outside of the 401(k) Plan, and submit a YELLOW Trustee Direction Form for shares you hold in your 401(k) Plan account. You should also read the Offer to Purchase and the Supplement carefully before making any decision regarding the tender offer.

The tender offer is being made solely pursuant to the Offer to Purchase as amended by the Supplement and the related Letter of Transmittal and is being made to all holders of shares of common stock of Rent-A-Center. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares of common stock of Rent-A-Center residing in any jurisdiction in which the making of the tender offer or acceptance of the tender offer would not be in compliance with the securities laws of that jurisdiction.

To instruct the Trustee to tender any or all of the shares held on your behalf in your 401(k) Plan account, you must complete the enclosed YELLOW Trustee Direction Form and return it to the Depository at P.O. Box 3301, South Hackensack, New Jersey 07606 in the enclosed return envelope so that it is RECEIVED by 12:00 midnight, New York City time, on Monday, June 16, 2003, unless the tender offer is extended, in which case, if administratively feasible, the deadline for receipt of your YELLOW Trustee Direction Form will be 12:00 midnight, New York City time, on the third day prior to the expiration of the tender offer, as extended.

You may determine the number of shares in your 401(k) Plan account, from time to time either through the internet at www.nesteggu.com/racenter or by calling Nest Egg Consulting, the record keeper for the 401(k) Plan, at (866) 412-9026. Please note that the number of shares in your 401(k) Plan account may change during the tender offer period as a result of additional 401(k) and matching contributions being made, as well as by any investment direction changes you may make.

You may not tender more shares than are held in your 401(k) Plan account on Monday, June 16, 2003, or the deadline for returning the YELLOW Trustee Direction Form, if the tender offer is extended. If you direct the Trustee to tender more shares than are held in your 401(k) Plan account on the date of the deadline for submitting the Trustee Direction Form, then the Trustee will tender all of the shares held in your 401(k) Plan account.

If you desire to tender shares from your 401(k) Plan account you must specify on the YELLOW Trustee Direction Form the following:

- Whether or not you wish to tender all shares held in your 401(k) Plan account, or just some shares. If you specify that you only wish to tender a certain number of shares, then the Trustee will only tender that specified number if your 401(k) Plan account contains at least that number of shares. If your 401(k) Plan account contains less than the number of shares you specified to tender, the Trustee will tender all shares in your 401(k) Plan account.
- Whether you are willing to sell the shares in your 401(k) Plan account to Rent-A-Center at the price determined by Rent-A-Center in the tender offer (which may have the effect of lowering the purchase price and could result in your receiving a price per share as low as \$67.00), or
- If not, you must specify the price or prices, not greater than \$73.00 per share nor less than \$67.00 per share, at which you are willing to sell the shares in your 401(k) Plan account to Rent-A-Center under the tender offer. Prices may be specified in increments of \$0.25.

When considering whether or not to participate in the tender offer, it is important that you note the following:

1. Rent-A-Center has been advised that if the Depositary does not receive your YELLOW Trustee Direction Form by 12:00 midnight, New York City time, on Monday, June 16, 2003, then the Depositary will not have sufficient time to process your direction and inform the Trustee. In such case, the Trustee will not tender any shares held on your behalf in the 401(k) Plan. The tender offer, proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Thursday, June 19, 2003, unless the tender offer is extended. Consequently, your YELLOW Trustee Direction Form must be received by the Depositary no later than 12:00 midnight, New York City time, on Monday, June 16, 2003, unless the offer is extended.
2. Shares held on your behalf in your 401(k) Plan account may be tendered at prices not greater than \$73.00 per share nor less than \$67.00 per share.
3. The 401(k) Plan is prohibited from selling shares to Rent-A-Center for a price that is less than the prevailing market price. Accordingly, if you elect to tender shares at a price that is lower than the prevailing price of Rent-A-Center's common stock on The Nasdaq National Market at the expiration of the tender offer, the tender price you elect will be deemed to have been increased to the closest tender price that is not less than that closing price. This may result in such shares not being eligible for purchase.
4. The tender offer is for up to 2,200,000 shares, constituting approximately 6.3% of the shares outstanding as of June 5, 2003. The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions described in the Offer to Purchase.
5. Neither Rent-A-Center nor any member of its Board of Directors, the Dealer Manager, the Depositary, the Trustee or any other fiduciary of the 401(k) Plan makes any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the purchase price or purchase prices at which your shares should be tendered.
6. Your tender instructions will be held in strict confidence by the Depositary and the Trustee and will not be divulged or released to any directors, officers or employees of Rent-A-Center, except as may be required by law.
7. Tendering participants will not be obligated to pay any brokerage fees or commission or solicitation fees to the Dealer Manager, Depositary or Rent-A-Center or, except as described in the Letter of Transmittal, stock transfer taxes on the transfer of shares pursuant to the tender offer.
8. As more fully described in the Offer to Purchase, tenders will be deemed irrevocable unless timely withdrawn. If you instruct the Trustee to tender shares held on your behalf in your 401(k) Plan

account, and you subsequently decide to change your instructions or withdraw your tender of shares, you may do so by submitting a new Trustee Direction Form. However, the new Trustee Direction Form will be effective only if it is received by the Depository on or before 12:00 midnight, New York City time, on Monday, June 16, 2003, which is three days before the scheduled expiration of the tender offer at 12:00 midnight, New York City time, on Thursday, June 19, 2003. Upon receipt of a timely submitted new YELLOW Trustee Direction Form, your previous instructions to tender the shares will be deemed canceled. If your new YELLOW Trustee Direction Form directed the Trustee to withdraw from tender the shares held on your behalf in your 401(k) Plan account, you may later re-tender those shares by submitting another YELLOW Trustee Direction Form at the above address so long as it is received by the Depository on or before three days before the expiration of the tender offer. Additional Trustee Direction Forms may be obtained by calling D.F. King & Co., Inc., the Information Agent for the tender offer, at (800) 431-9642.

9. While participants will not recognize any immediate tax gain or loss as a result of the tender offer, the tax treatment of future withdrawals or distributions from the 401(k) Plan may be adversely affected by a tender and sale of shares within the 401(k) Plan. Specifically, under current federal income tax rules, if you receive a lump sum distribution from a 401(k) Plan including Rent-A-Center shares that have increased in value while they were held by the 401(k) Plan, under certain circumstances you may have the option of not paying tax on this increase in value, which is called "net unrealized appreciation," until you sell the shares. When the shares are sold, any gain up to the amount of the untaxed net unrealized appreciation is taxed as long-term capital gain. If shares credited to your individual 401(k) Plan account are purchased by Rent-A-Center in the tender offer, you will no longer be able to take advantage of this tax benefit.

Unless you have already directed the Trustee to sell the shares in your 401(k) Plan account at the price determined by Rent-A-Center in the tender offer (in which case you do not need to take further action), if you do not direct the Trustee on the enclosed YELLOW Trustee Direction Form to tender the shares held on your behalf in your 401(k) Plan account, no shares will be tendered.

IN ORDER TO TENDER SHARES IN YOUR 401(k) PLAN ACCOUNT YOU WILL NEED TO COMPLETE THE ENCLOSED YELLOW TRUSTEE DIRECTION FORM AND RETURN IT TO:

MELLON INVESTOR SERVICES, LLC,
P.O. BOX 3301,
SOUTH HACKENSACK, NEW JERSEY 07606

IN THE ENCLOSED RETURN ENVELOPE SO THAT IT IS RECEIVED BY 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, JUNE 16, 2003, UNLESS THE TENDER OFFER IS EXTENDED, IN WHICH CASE, IF ADMINISTRATIVELY FEASIBLE, THE DEADLINE FOR RECEIPT OF YOUR TRUSTEE DIRECTION FORM WILL BE 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE THIRD DAY PRIOR TO THE EXPIRATION OF THE TENDER OFFER, AS EXTENDED.

TRUSTEE DIRECTION FORM

TO: INTRUST BANK, N.A., TRUSTEE

The undersigned acknowledges receipt of the accompanying Letter to the Participants in Rent-A-Center's 401(k) Plan and the Offer to Purchase, dated April 28, 2003 (the "Offer to Purchase"), as amended by the Supplement to Offer to Purchase, dated June 5, 2003 (the "Supplement"), and the related Letter of Transmittal in connection with the tender offer by Rent-A-Center Inc., a Delaware corporation ("Rent-A-Center"), to purchase up to 2,200,000 shares of its common stock, \$0.01 par value per share.

These instructions will instruct Intrust Bank, N.A. (the "Trustee"), as trustee for the Rent-A-Center, Inc. Retirement Savings Plan (the "401(k) Plan") to tender shares held by the Trustee for the undersigned's 401(k) Plan account upon the terms and subject to the conditions set forth in the Offer to Purchase as amended by the Supplement.

NOTE: Shares allocated to participant accounts for which the Trustee does not receive directions will not be tendered.

NUMBER OF SHARES TENDERED
(CHECK ONE BOX)

- I direct the Trustee to tender ALL of the shares in my 401(k) Plan account.
- I direct the Trustee to tender _____ (complete blank) shares in my 401(k) Plan account.

PRICE (IN DOLLARS) PER SHARE
AT WHICH SHARES ARE BEING TENDERED

(1) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by Stockholder," the undersigned hereby tenders shares at the purchase price, as the same shall be determined by Rent-A-Center in accordance with the terms of the tender offer.

- I want to maximize the chance of having Rent-A-Center accept for purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes below, I hereby direct the Trustee to tender shares at, and am willing to accept, the purchase price determined by Rent-A-Center in accordance with the terms of the tender offer and resulting from the tender offer process. This action may have the effect of lowering the purchase price and could result in receiving a price per share as low as \$67.00.

OR

(2) SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby directs the Trustee to tender shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by Rent-A-Center for the shares is less than the price checked below. A participant who desires to direct the Trustee to tender shares at more than one price must complete a separate YELLOW Trustee Direction Form for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

- | | | | | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> \$67.00 | <input type="checkbox"/> \$68.25 | <input type="checkbox"/> \$69.50 | <input type="checkbox"/> \$70.75 | <input type="checkbox"/> \$72.00 |
| <input type="checkbox"/> \$67.25 | <input type="checkbox"/> \$68.50 | <input type="checkbox"/> \$69.75 | <input type="checkbox"/> \$71.00 | <input type="checkbox"/> \$72.25 |
| <input type="checkbox"/> \$67.50 | <input type="checkbox"/> \$68.75 | <input type="checkbox"/> \$70.00 | <input type="checkbox"/> \$71.25 | <input type="checkbox"/> \$72.50 |
| <input type="checkbox"/> \$67.75 | <input type="checkbox"/> \$69.00 | <input type="checkbox"/> \$70.25 | <input type="checkbox"/> \$71.50 | <input type="checkbox"/> \$72.75 |
| <input type="checkbox"/> \$68.00 | <input type="checkbox"/> \$69.25 | <input type="checkbox"/> \$70.50 | <input type="checkbox"/> \$71.75 | <input type="checkbox"/> \$73.00 |

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, THERE IS NO VALID TENDER OF SHARES.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE 401(K) PLAN PARTICIPANT. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

RENT-A-CENTER'S BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER RENT-A-CENTER NOR ANY MEMBER OF ITS BOARD OF DIRECTORS, THE DEALER MANAGER OR THE DEPOSITARY MAKES ANY RECOMMENDATION TO STOCKHOLDERS AS TO WHETHER THEY SHOULD TENDER OR REFRAIN FROM TENDERING THEIR SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH THEY MAY CHOOSE TO TENDER THEIR SHARES. STOCKHOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER THEIR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH THEIR SHARES SHOULD BE TENDERED. IN DOING SO, STOCKHOLDERS SHOULD READ CAREFULLY THE INFORMATION IN THE OFFER TO PURCHASE AS AMENDED BY THE SUPPLEMENT AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING RENT-A-CENTER'S REASONS FOR MAKING THE TENDER OFFER. SEE SECTION 2 OF THE OFFER TO PURCHASE. STOCKHOLDERS SHOULD DISCUSS WHETHER TO TENDER THEIR SHARES WITH THEIR FINANCIAL OR TAX ADVISORS.

Signature:

Name:

(PLEASE PRINT)

Taxpayer Identification or
Social Security Number:

Address:

(INCLUDING ZIP CODE)

Area Code/Phone Number:

Date:

=====

CREDIT AGREEMENT

among

RENT-A-CENTER, INC.,

as Borrower,

The Several Lenders from Time to Time Parties Hereto,

MORGAN STANLEY SENIOR FUNDING INC.,

as Documentation Agent,

JPMORGAN CHASE BANK and BEAR, STEARNS & CO. INC.,

as Syndication Agents,

WACHOVIA BANK, NATIONAL ASSOCIATION, UBS WARBURG LLC,

UNITED OVERSEAS BANK and CREDIT LYONNAIS

as Managing Agents,

and

LEHMAN COMMERCIAL PAPER INC.,

as Administrative Agent

Dated as of May 28, 2003

LEHMAN BROTHERS INC. and J.P. MORGAN SECURITIES INC.,

as Joint Lead Arrangers and Bookrunners

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ANNEX:

A Pricing Grid

SCHEDULES:

1.1 Existing Letters of Credit
4.4 Consents, Authorizations, Filings and Notices
4.6 Litigation
4.15 Subsidiaries
4.19(a) UCC and Other Filings / Jurisdictions and Offices
7.2(d) Existing Indebtedness
7.3(f) Existing Liens
7.14 Existing Restrictions

EXHIBITS:

A Form of Guarantee and Collateral Agreement
B Form of Compliance Certificate
C Form of Closing Certificate
D Form of Mortgage
E Form of Assignment and Acceptance
F Form of Legal Opinion of Winstead Sechrest & Minick P.C.
G Form of Exemption Certificate
H Form of Lender Addendum
I Form of Subordinated Intercompany Note
J Form of Term Note
K Form of Tranche A Note
L Form of Revolving Note
M Form of Swingline Note
N Form of Increased Revolving Facility Activation Notice
O Form of New Revolving Lender Supplement

CREDIT AGREEMENT, dated as of May 28, 2003, among RENT-A-CENTER, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), MORGAN STANLEY SENIOR FUNDING INC., as documentation agent (in such capacity, the "Documentation Agent"), JPMORGAN CHASE BANK and BEAR, STEARNS & CO. INC., each as syndication agent (in such capacity, the "Syndication Agents"), WACHOVIA BANK, NATIONAL ASSOCIATION, UBS WARBURG LLC, UNITED OVERSEAS BANK and CREDIT LYONNAIS, each as managing agent (in such capacity, the "Managing Agents"), and LEHMAN COMMERCIAL PAPER INC., as administrative agent.

WHEREAS, the Borrower has requested that the Lenders make certain credit facilities available to the Borrower, and the Lenders are willing to make such credit facilities available upon and subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above premises, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1. Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate of interest per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Prime Rate" shall mean the prime lending rate as set forth on the British Bankers Association Telerate page 5 (or such other comparable publicly available page as may, in the reasonable opinion of the Administrative Agent after notice to the Borrower, replace such page for the purpose of displaying such rate if such rate no longer appears on the British Bankers Association Telerate page 5), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually available. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Adjustment Date": as defined in the Pricing Grid.

"Administrative Agent": Lehman Commercial Paper Inc., together with its affiliates, as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agents": the collective reference to the Syndication Agents, the Documentation Agent, the Managing Agents and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to, without duplication, the sum of (a) the aggregate then unpaid principal amount of such Lender's Term Loans together with such Lender's Term Loan Commitments then in effect, (b) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding and (c) the aggregate then unpaid principal amount of such Lender's Tranche A Loans together with such Lender's Tranche A Commitments then in effect.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Applicable Margin": for each Type of Loan, the rate per annum set forth under the relevant column heading below:

ABR	
Eurodollar	
Loans	
Loans ----	
- ----	
Revolving	
Loans and	
Swingline	
Loans	
1.25%	
2.25%	
Tranche A	
Loans	
1.25%	
2.25% Term	
Loans	
1.25%	
2.25%	

provided, that on and after the first Adjustment Date occurring after the completion of two full fiscal quarters of the Borrower after the Closing Date, the Applicable Margin will be determined pursuant to the Pricing Grid.

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit.

"Approved Fund": with respect to any Lender, any fund that invests in commercial loans and is managed by such Lender or managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Asset Sale": any Disposition of property or series of related Dispositions of property (excluding any such Disposition permitted by clause (a), (b), (c), (d), (f), (g), (h), (i) or (j) of Section 7.5 and any Disposition of Cash Equivalents) that yields gross proceeds to the Borrower or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$500,000.

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit E.

"Assignor": as defined in Section 10.6(c).

"Assumed Indebtedness": Indebtedness assumed in connection with a Permitted Acquisition or Permitted Foreign Acquisition provided that (a) such Indebtedness is outstanding at the time of such acquisition and was not incurred in connection therewith or in contemplation thereof and (b) in the event that such Permitted Acquisition or Permitted Foreign Acquisition constitutes an acquisition of property other than Capital Stock, such Indebtedness was incurred in order to acquire or improve such property.

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Commitment pursuant to Section 2.8(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Available Term Commitment": as to any Term Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Term Loan Commitment then in effect over (b) such Lender's Term Loans then outstanding.

"Benefitted Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Business": as defined in Section 4.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures (other than those made pursuant to Permitted Acquisitions or Permitted Foreign Acquisitions) by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period but excluding merchandise inventory acquired during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"Capital Expenditures (Expansion)": for any period, with respect to any Person, any Capital Expenditures made by such Person in connection with the opening of new stores to be operated by such Person.

"Capital Expenditures (Maintenance)": for any period, with respect to any Person, any Capital Expenditures which do not constitute Capital Expenditures (Expansion) of such Person.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal

property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash/Debt Consideration": with respect to any Permitted Acquisition or any Permitted Foreign Acquisition, the portion of the Purchase Price with respect thereto that is payable in the forms referred to in clauses (a) and (d) of the definition of "Purchase Price" set forth in Section 1.1.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$500,000,000; (c) commercial paper of an issuer rated at least A-2 by Standard & Poor's Ratings Services ("S&P") or P-2 by Moody's Investors Service, Inc. ("Moody's"), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) short term investments (not exceeding 35 days) in loans made to obligors having an investment grade rating from each of S&P and Moody's; or (h) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (g) of this definition.

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date is May 28, 2003.

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

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Commitment": as to any Lender, the sum of the Term Loan Commitment, the Tranche A Commitment and the Revolving Commitment of such Lender.

"Commitment Fee Rate": 1/2 of 1% per annum; provided, that on and after the first Adjustment Date occurring after the completion of two full fiscal quarters of the Borrower after the Closing Date, the Commitment Fee Rate will be determined pursuant to the Pricing Grid.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Consolidated Current Assets": at any date, (a) all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date and (b) without duplication of clause (a) above, the book value of all rental merchandise inventory of the Borrower and its Subsidiaries at such date.

"Consolidated Current Liabilities": at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date, but excluding (a) the current portion of any Funded Debt of the Borrower and its Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Revolving Loans or Swingline Loans to the extent otherwise included therein.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge or reduction in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation (excluding depreciation of rental merchandise) and amortization expense, including, without limitation, amortization of intangibles (including, but not limited to, goodwill) and organization costs, (d) any extraordinary, unusual or non-recurring non-cash expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, non-cash losses on sales of assets outside of the ordinary course of business) and (e) any other non-cash charges, and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income, (b) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (c) any other non-cash income earned outside the ordinary course of business, all as determined on a consolidated basis. For the purposes of calculating Consolidated EBITDA for any Reference Period pursuant to any determination of the Consolidated Leverage Ratio, if during such Reference Period the Borrower or any Subsidiary shall have made a Material Disposition or Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Disposition or Material Acquisition (including any indebtedness incurred or acquired in connection therewith) occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$15,000,000 (or such lesser amount as the Borrower may determine in its discretion); and "Material Disposition" means any Disposition of property or series of related

Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of \$15,000,000 (or such lesser amount as the Borrower may determine in its discretion).

"Consolidated Fixed Charge Coverage Ratio": for any period, the ratio of (a) the sum of Consolidated EBITDA for such period and, to the extent reducing Consolidated Net Income for such period, Consolidated Lease Expense for such period, less the aggregate amount actually paid by the Borrower and its Subsidiaries during such period on account of Capital Expenditures (Maintenance) to (b) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges": for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period, (b) Consolidated Lease Expense for such period, (c) regular, scheduled payments made during such period on account of principal of Indebtedness of the Borrower or any of its Subsidiaries (including scheduled principal payments in respect of the Term Loans but excluding prepayments thereof) and (d) cash dividend payments made during such period in respect of the Preferred Stock.

"Consolidated Funded Debt": at any date, the aggregate principal amount of all Funded Debt (which, for purposes of the calculation of Consolidated Funded Debt, shall be deemed to exclude any unfunded portion of the Letters of Credit) of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations), net of cash interest income, of the Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, commitment fees payable pursuant to Section 2.8 and net costs under Hedge Agreements in respect of such Indebtedness to the extent such net costs are allocable to such period in accordance with GAAP).

"Consolidated Lease Expense": for any period, the aggregate amount of fixed and contingent rentals payable by the Borrower and its Subsidiaries for such period with respect to leases of real and personal property, determined on a consolidated basis in accordance with GAAP.

"Consolidated Leverage Ratio": as at the last day of any period, the ratio of (a) Consolidated Funded Debt on such day to (b) Consolidated EBITDA for such period.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

"Consolidated Net Income Amount": at any date of determination, an amount equal to cumulative Consolidated Net Income from January 1, 2003 through the last day of the most recent fiscal quarter for which financial statements have been delivered pursuant to Section 6.1.

"Consolidated Net Worth": at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of the Borrower and its Subsidiaries under stockholders' equity at such date.

"Consolidated Working Capital": at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.

"Continuing Directors": the directors of the Borrower on the Closing Date, and each other director of the Borrower, if, in each case, such other director's nomination for election to the board of directors of the Borrower is recommended by at least 66-2/3% of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control Investment Affiliate": as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) is organized by such Person primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied (including, in any event, a "Default" under and as defined in the Senior Subordinated Note Indenture).

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Stock": any Capital Stock or other ownership or profit interest of any Loan Party that any Loan Party is or, upon the passage of time or the occurrence of any event, may become obligated to redeem, purchase, retire, defease or otherwise make any payment in respect of in consideration other than Capital Stock (other than Disqualified Stock).

"Documentation Agent": as defined in the preamble hereto.

"Dollars" and "\$": dollars in lawful currency of the United States.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

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

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan (other than any Eurodollar Loan having a seven-day Interest Period), the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the British Bankers Association Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period, provided that if such rate does not appear on Page 3750 of the British Bankers Association Telerate screen (or otherwise on such screen) the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent. If no such rate is available or if the Eurodollar Base Rate is being determined in connection with any Eurodollar Loan having a seven-day Interest Period, such rate shall be determined by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 10:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

Eurodollar Base Rate

1.00 - Eurocurrency Reserve Requirements

"Eurodollar Tranche": the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied (including, in any event, an "Event of Default" under and as defined in the Senior Subordinated Note Indenture).

"Excess Cash Flow": for any fiscal year of the Borrower, the excess, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income for such fiscal year, (ii) an amount equal to the amount of all non-cash charges (including depreciation (other than depreciation of rental merchandise) and amortization) deducted in arriving at such Consolidated Net Income, (iii) decreases in Consolidated Working Capital for such fiscal year, (iv) an amount equal to the aggregate net non-cash loss on the Disposition of property by the Borrower and its Subsidiaries during such fiscal year (other than

Dispositions of (x) rental merchandise otherwise included in changes in Consolidated Working Capital and (y) inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income and (v) amounts paid or invested by the Insurance Subsidiary in the Borrower and its Subsidiaries as permitted by this Agreement (other than reimbursement of insurance claims to the Borrower or its Subsidiaries), over (b) the sum, without duplication, of (i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income, (ii) the aggregate amount actually paid by the Borrower and its Subsidiaries in cash during such fiscal year on account of Capital Expenditures (excluding the principal amount of Indebtedness incurred in connection with such expenditures and any such expenditures financed with the proceeds of any Reinvestment Deferred Amount), (iii) the aggregate amount actually paid by the Borrower and its Subsidiaries in cash during such fiscal year on account of Permitted Acquisitions or Permitted Foreign Acquisitions (excluding the principal amount of Indebtedness incurred in connection with such expenditures and any such expenditures financed with the proceeds of any Reinvestment Deferred Amount), (iv) the aggregate amount of all prepayments of Revolving Loans and Swingline Loans during such fiscal year to the extent accompanying permanent optional reductions of the Revolving Commitments and all optional prepayments of the Term Loans during such fiscal year (including prepayments of the Term Loans required by Section 7.5(e)), (v) the aggregate amount of all regularly scheduled principal payments of Funded Debt (including the Term Loans) of the Borrower and its Subsidiaries made during such fiscal year (other than any such payment of a facility that may thereafter be reborrowed), (vi) increases in Consolidated Working Capital for such fiscal year, (vii) an amount equal to the aggregate net non-cash gain on the Disposition of property by the Borrower and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income and (viii) the aggregate amount of cash paid to the Insurance Subsidiary by the Borrower and its Subsidiaries as insurance premiums and in additional capital contributions, to the extent the same are required to meet regulatory capital guidelines, policies or rules.

"Excess Cash Flow Application Date": as defined in Section 2.11(d).

"Excluded Foreign Subsidiary": any Foreign Subsidiary in respect of which either (a) the pledge of all of the Capital Stock of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Borrower, result in adverse tax consequences to the Borrower.

"Existing Credit Agreement": the Credit Agreement, dated as of August 5, 1998, as amended and restated as of December 31, 2002, among the Borrower, RAC East, JPMorgan Chase Bank, as administrative agent, the banks, financial institutions or other entities parties thereto as lenders and certain other parties, as amended by the First Amendment to the Credit Agreement, dated as of April 22, 2003.

"Existing Letter of Credit": each letter of credit issued under the Existing Credit Agreement identified on Schedule 1.1 hereto that is outstanding on the Closing Date and each renewal of such letter of credit, each of which shall be deemed, on and after the Closing Date, to have been issued hereunder, and each of which shall, as a whole or in part, be designated as a "RC Letter of Credit" or a "Tranche A Letter of Credit" as set forth on Schedule 1.1.

"Facility": the credit facility consisting of, as applicable, (a) the Term Loans and Term Loan Commitments (the "Term Facility"), (b) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility") and (c) the Tranche A Commitments and the extensions of credit made thereunder (the "Tranche A LC Facility").

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Funded Debt": as to any Person, on any date, (a) all Indebtedness of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans and the Reimbursement Obligations (but excluding, in the case of the Borrower, any Guarantee Obligations of the Borrower in respect of Indebtedness of franchisees, to the extent permitted by Section 7.2(h)), minus (b) the aggregate amount of cash and Cash Equivalents on the consolidated balance sheet of the Borrower and its Subsidiaries on such date, but in no event exceeding \$50,000,000.

"Funding Office": the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the Closing Date and consistent with those used in the preparation of the most recent audited financial statements delivered pursuant to Section 4.1(b). In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. "Accounting Change" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued or incurred a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Hedge Agreements": all swaps, caps, collars or similar arrangements providing for protection against fluctuations in interest rates (whether from floating to fixed or from fixed to floating), currency exchange rates or commodities prices or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Increased Revolving Facility Activation Notice": a notice substantially in the form of Exhibit N.

"Increased Revolving Facility Closing Date": any Business Day designated as such in an Increased Revolving Facility Activation Notice.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party under acceptance, letter of credit or similar facilities, (g) the liquidation value of all redeemable preferred Capital Stock of such Person (other than any such preferred Capital Stock that is not redeemable until a date that is no earlier than one year and one day after the final maturity of the Loans and the Preferred Stock) and all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above; (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such

Person has assumed or become liable for the payment of such obligation; and (j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Hedge Agreements (which, for purposes of such Section 8(e), will be deemed to have an outstanding principal amount equal to the net amount which would be payable (or would permit the counterparty thereto to cause to become payable) by the Borrower or Subsidiary party thereto (including any net termination payment) upon the occurrence of any default, event or condition specified in such Section 8(e)).

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Insurance Subsidiary": Legacy Insurance Co., Ltd., a Bermuda company and a Wholly Owned Subsidiary of the Borrower formed for the sole purpose of writing insurance only for the risks of the Borrower and its Subsidiaries.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intellectual Property Security Agreement": the Intellectual Property Security Agreement between the certain Loan Parties and the Administrative Agent, dated as of the date hereof and substantially in the form of Exhibit B-1 to the Guarantee and Collateral Agreement.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending seven days (in the case of Revolving Loans only) or one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending seven days (in the case of Revolving Loans only) or one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period for a particular Facility that would extend beyond the final maturity date applicable thereto;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

Notwithstanding the foregoing, clause (iii) above shall not apply to Eurodollar Loans having a seven-day Interest Period.

"Investments": as defined in Section 7.8.

"Issuing Lender": JPMorgan Chase Bank (or any of its Affiliates), in its capacity as issuer of any Letter of Credit.

"LC Fee Payment Date": the last day of each March, June, September and December, the last day of the Revolving Commitment Period (in the case of RC Letters of Credit) and the Tranche A LC Termination Date (in the case of Tranche A Letters of Credit).

"LC Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed.

"Legacy Trust": Legacy Drive Trust, a trust formed under the laws of the State of Texas pursuant to, and operating in accordance with, the Trust Agreement.

"Lender Addendum": with respect to any initial Lender, a Lender Addendum, substantially in the form of Exhibit H, to be executed and delivered by such Lender on the Closing Date as provided in Section 10.15.

"Lenders": as defined in the preamble hereto.

"Letters of Credit": the letters of credit issued pursuant to Section 3.1, which shall be deemed to include the Existing Letters of Credit.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing) or any purchase option, call option, right of first refusal or similar right.

"Loan": any loan made by any Lender pursuant to this Agreement, including any Tranche A Loan.

"Loan Documents": this Agreement, the Security Documents and the Notes.

"Loan Parties": the Borrower and each Subsidiary of the Borrower that is a party to a Loan Document.

"Majority Facility Lenders": (i) with respect to the Term Loan Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans and aggregate Term Loan Commitments outstanding under such facility, (ii) with respect to the Revolving Facility, the holders of more than 50% of the Total Revolving Extensions of Credit (or, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments) outstanding under such Facility or (iii) with respect to the Tranche A LC Facility, the holders of more than 50% of the aggregate Tranche A Loans and aggregate Tranche A Commitments outstanding under such Facility.

"Managing Agents": as defined in the preamble hereto.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Secured Parties hereunder or thereunder or (c) the validity, enforceability or priority of the Liens purported to be created by the Security Documents taken as a whole.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Mortgaged Property": any real property of any Loan Party as to which the Administrative Agent for the benefit of the Secured Parties has been granted a Lien pursuant to any Mortgage.

"Mortgage": any mortgage or deed of trust made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D (with such changes thereto as shall be advisable under the law of the jurisdiction in which such mortgage or deed of trust is to be recorded), as the same may be amended, supplemented or otherwise modified from time to time.

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of reasonable attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable currently as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any issuance or sale of equity securities or debt securities or instruments or the incurrence of loans, the cash proceeds received from such issuance or incurrence, net of reasonable attorneys' fees, investment banking fees, accountants'

fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Revolving Lender": as defined in Section 2.2(c).

"New Revolving Lender Supplement": as defined in Section 2.2(c).

"Non-Excluded Taxes": as defined in Section 2.19(a).

"Non-U.S. Lender": as defined in Section 2.19(d).

"Notes": the collective reference to any promissory note evidencing Loans, substantially in the form of Exhibit J, Exhibit K, Exhibit L or Exhibit M.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of any Loan Party to the Administrative Agent or to any Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Hedge Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided, that (i) Obligations of the Borrower or any other Loan Party under any Specified Hedge Agreement shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed, (ii) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Specified Hedge Agreements and (iii) the amount of secured Obligations under any Specified Hedge Agreements shall not exceed the net amount, including any net termination payments, that would be required to be paid to the counterparty to such Specified Hedge Agreement on the date of termination of such Specified Hedge Agreement.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant": as defined in Section 10.6(b).

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Acquisition": any acquisition, consisting of a single transaction or a series of related transactions, by the Borrower or any one or more of its Wholly Owned Subsidiary Guarantors of all of the Capital Stock of, or all or a substantial part of the assets of, or of a business, unit or division of, any Person organized under the laws of the United States or any state thereof (or a business, unit or division of any Person organized under the laws of any governmental instrumentality other than the United States or any state thereof, which business unit or division operates entirely within the United States) (such business, unit or division, the "Acquired Business"), provided that (a) the consideration paid

by the Borrower or such Subsidiary or Subsidiaries pursuant to such acquisition shall be solely in a form referred to in clause (a), (b), (c) or (d) of the definition of "Purchase Price" (or some combination thereof), (b) the requirements of Section 6.10 have been satisfied with respect to such acquisition, (c) the Borrower shall be in compliance, on a pro forma basis after giving effect to such acquisition, with the covenants contained in Section 7.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Borrower as if such acquisition had occurred on the first day of each relevant period for testing such compliance, (d) no Default or Event of Default shall have occurred and be continuing, or would occur after giving effect to such acquisition, (e) all actions required to be taken with respect to any acquired or newly formed Subsidiary or otherwise with respect to the Acquired Business in such acquisition under Section 6.9 and 6.10 shall have been taken, (f) the aggregate Purchase Prices in respect of such acquisition and all other Permitted Acquisitions consummated in accordance with this Agreement shall not exceed, in any fiscal year of the Borrower, the sum of (i) \$100,000,000 (or, if the Consolidated Leverage Ratio as of the last day of any fiscal quarter during such fiscal year is less than 2.25 to 1.00, \$175,000,000) and (ii) an additional up to \$30,000,000 to the extent not expended as Capital Expenditures (Expansion) during such fiscal year pursuant to 7.7(b), (g) the Cash/Debt Consideration in respect of such acquisition and all other Permitted Acquisitions consummated in accordance with this Agreement shall not exceed, in any fiscal year of the Borrower, \$175,000,000 (plus any amounts available pursuant to the foregoing clause (f)(ii)), and (h) any such acquisition shall have been approved by the Board of Directors or such comparable governing body of the Person (or whose business, unit or division is, as the case may be) being acquired.

"Permitted Foreign Acquisition": any acquisition, consisting of a single transaction or a series of related transactions, by the Borrower or any one or more of its Wholly Owned Subsidiary Guarantors of all of the Capital Stock of, or all or a substantial part of the assets of, or of a business, unit or division of, any Person organized under the laws of any governmental instrumentality other than the United States or any state thereof (or a business, unit or division of any Person organized under the laws of the United States or any state thereof, which business unit or division operates entirely outside of the United States) (such business, unit or division, the "Acquired Foreign Business"), provided that (a) the consideration paid by the Borrower or such Subsidiary or Subsidiaries pursuant to such acquisition shall be solely in a form referred to in clause (a), (b), (c) or (d) of the definition of "Purchase Price" (or some combination thereof), (b) the requirements of Section 6.10 have been satisfied with respect to such acquisition, (c) the Borrower shall be in compliance, on a pro forma basis after giving effect to such acquisition, with the covenants contained in Section 7.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Borrower as if such acquisition had occurred on the first day of each relevant period for testing such compliance, (d) no Default or Event of Default shall have occurred and be continuing, or would occur after giving effect to such acquisition, (e) all actions required to be taken with respect to any acquired or newly formed Subsidiary or otherwise with respect to the Acquired Foreign Business in such acquisition under Section 6.9 and 6.10 shall have been taken, (f) the aggregate Purchase Prices in respect of such acquisition and all other Permitted Foreign Acquisitions consummated in accordance with this Agreement shall not exceed \$50,000,000 in any single fiscal year of the Borrower and shall not exceed \$100,000,000 during the term of this Agreement, (g) the Cash/Debt Consideration in respect of such acquisition and all other Permitted Foreign Acquisitions consummated in accordance with this Agreement shall not exceed in the aggregate, \$100,000,000, and (h) any such acquisition shall have been approved by the Board of Directors or such comparable governing body of the Person (or whose business, unit or division is, as the case may be) being acquired.

"Permitted Investors": the collective reference to (a) the Sponsor and (b) the Speese Persons.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Preferred Stock": the Series A Preferred Stock, \$0.01 par value, of the Borrower and the Series C Preferred Stock, \$0.01 par value, of the Borrower to be issued pursuant to a certificate of designation in substantially the form previously provided to the Administrative Agent (with changes thereto reasonably acceptable to the Administrative Agent) in exchange for the outstanding Series A Preferred Stock.

"Pricing Grid": the pricing grid attached hereto as Annex A.

"Projections": as defined in Section 6.2(c).

"Properties": as defined in Section 4.17(a).

"Purchase Price": with respect to any Permitted Acquisition or Permitted Foreign Acquisition, the sum (without duplication) of (a) the amount of cash paid by the Borrower and its Subsidiaries in connection with such acquisition, (b) the value (as determined for purposes of such acquisition in accordance with the applicable acquisition agreement) of all Capital Stock of the Borrower issued or given as consideration in connection with such acquisition, (c) the Qualified Net Cash Equity Proceeds applied to finance such acquisition and (d) the principal amount (or, if less, the accreted value) at the time of such acquisition of all Assumed Indebtedness with respect thereto.

"Qualified Net Cash Debt Proceeds": the Net Cash Proceeds of Indebtedness incurred by the Borrower pursuant to Section 7.2(f)(iii), provided that (1) such unsecured subordinated notes were issued in express contemplation of a Permitted Acquisition or Permitted Foreign Acquisition and (2) such Permitted Acquisition or Permitted Foreign Acquisition is consummated within 90 days after receipt by the Borrower of such Net Cash Proceeds.

"Qualified Net Cash Equity Proceeds": the Net Cash Proceeds of any offering of Capital Stock of the Borrower, provided that (a) such offering was made in express contemplation of a Permitted Acquisition or Permitted Foreign Acquisition, (b) such Capital Stock is not mandatorily redeemable and (c) such Permitted Acquisition or Permitted Foreign Acquisition is consummated within 90 days after receipt by the Borrower of such Net Cash Proceeds.

"RAC East": Rent-A-Center East, Inc., a Delaware corporation.

"RC LC Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding RC Letters of Credit and (b) the aggregate amount of drawings under RC Letters of Credit that have not then been reimbursed by the Borrower pursuant to Section 3.6.

"RC LC Participants": the collective reference to all Revolving Lenders (including the Issuing Lender), as participants in each RC Letter of Credit.

"RC Letter of Credit": each Letter of Credit issued by the Issuing Bank under the Revolving Facility pursuant to Section 3.1, including any portion of any Existing Letter of Credit deemed to be an RC Letter of Credit in accordance with Section 3.1 and as indicated on Schedule 1.1.

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any of its Subsidiaries.

"Reference Period": with respect to any date, the period of four consecutive fiscal quarters of the Borrower immediately preceding such date or, if such date is the last day of a fiscal quarter, ending on such date.

"Refunded Swingline Loans": as defined in Section 2.6(b).

"Refunding Date": as defined in Section 2.6(c).

"Register": as defined in Section 10.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse pursuant to Section 3.6 amounts paid under Letters of Credit.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by the Borrower or any of its Subsidiaries in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.11(c) as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and that the Borrower (directly or indirectly through a Subsidiary of the Borrower other than a Specified Subsidiary (unless such Specified Subsidiary was the recipient of such Net Cash Proceeds)) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire assets useful in its business.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring twelve months after such Reinvestment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. Section 4043.

"Repurchase Amount": as defined in Section 7.6(b).

"Required Lenders": at any time, the holders of more than 50% of the sum of (a) the aggregate unpaid principal amount of the Term Loans and the aggregate Term Loan Commitments then outstanding, (b) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding and (c) the aggregate unpaid principal amount of Tranche A Loans together with the aggregate Tranche A Commitments then in effect.

"Required Prepayment Lenders": the Majority Facility Lenders in respect of each of the Term Facility and the Revolving Facility.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president, chief financial officer or treasurer of the Borrower, but in any event, with respect to financial matters, the chief financial officer or president of the Borrower.

"Restricted Payments": as defined in Section 7.6.

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and RC Letters of Credit, in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Lender's name on Schedule 1 to the Lender Addendum delivered by such Lender, or, as the case may be, in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof; provided that the original aggregate amount of the Revolving Commitments is \$120,000,000.

"Revolving Commitment Period": the period ending on the Revolving Scheduled Commitment Termination Date.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender's Revolving Percentage of the RC LC Obligations then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Loans.

"Revolving Loans": as defined in Section 2.2.

"Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitments (or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the

aggregate principal amount of such Lender's Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding).

"Revolving Scheduled Commitment Termination Date": May 28, 2008.

"Sale/Leaseback Transaction": any arrangement providing for the leasing to the Borrower or any Subsidiary of real or personal property that has been or is to be (a) sold or transferred by the Borrower or any Subsidiary or (b) constructed or acquired by a third party in anticipation of a program of leasing to the Borrower or any Subsidiary.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Secured Parties": collectively, the Arranger, the Agents, the Lenders and, with respect to any Specified Hedge Agreement, any affiliate of any Lender party thereto (or any Person that was a Lender or an affiliate thereof when such Specified Hedge Agreement was entered into) that has agreed to be bound by the provisions of Section 7.2 of the Guarantee and Collateral Agreement as if it were a party thereto and by the provisions of Section 9 hereof as if it were a Lender party hereto; provided that any counterparty to a Specified Hedge Agreement that is not a Lender shall have no rights in connection with the management or release of any Collateral or the obligations of any Guarantor under the Loan Documents.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, the Mortgages, the Intellectual Property Security Agreement and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

"Senior Subordinated Note Indenture": the collective reference to each Indenture entered into by the Borrower and certain of its Subsidiaries in connection with any issuance of Senior Subordinated Notes, together with all instruments and other agreements entered into by the Borrower or such Subsidiaries in connection therewith, as the same may be amended, supplemented or otherwise modified from time to time in accordance with Section 7.9.

"Senior Subordinated Notes": the collective reference to (a) the subordinated notes of the Borrower or RAC East outstanding on the Closing Date and (b) any subordinated notes of the Borrower issued thereafter pursuant to Section 7.2(f) on terms no less favorable to the Borrower and its Subsidiaries (taken as a whole) and to the Lenders than the terms applicable to the subordinated notes referred to in clause (a) above.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) the realization of the current assets of such Person in the ordinary course of business will be sufficient for such Person to pay

recurring current debt, short-term debt and long-term debt service as such debts mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specified Change of Control": a "Change of Control" or similar event (however defined) as defined in any Senior Subordinated Note Indenture.

"Specified Hedge Agreement": any Hedge Agreement (a) entered into by (i) the Borrower or any of its Subsidiaries and (ii) any Lender or any affiliate thereof, or any Person that was a Lender or an affiliate thereof when such Hedge Agreement was entered into as counterparty and (b) which has been designated by such Lender and the Borrower, by notice to the Administrative Agent not later than 90 days after the execution and delivery thereof by the Borrower or such Subsidiary, as a Specified Hedge Agreement; provided that the designation of any Hedge Agreement as a Specified Hedge Agreement shall not create in favor of any Lender or affiliate thereof that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Guarantee and Collateral Agreement.

"Specified Subsidiaries": the collective reference to the Insurance Subsidiary, Legacy Trust and any Excluded Foreign Subsidiary.

"Speese Persons": the collective reference to Mark E. Speese, any person having a relationship with Mark E. Speese by blood, marriage or adoption not more remote than first cousin and any trust established for the benefit of any such person.

"Sponsor": Apollo Management IV, L.P., Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P., Apollo Management, L.P. and their Control Investment Affiliates.

"Subordinated Intercompany Note": the Subordinated Intercompany Note to be executed and delivered by the Borrower and each of its Subsidiaries, substantially in the form of Exhibit I, as the same may be amended, supplemented, replaced or otherwise modified from time to time in accordance with this Agreement.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower. Legacy Trust shall be considered a Subsidiary of the Borrower.

"Subsidiary Guarantor": each Subsidiary of the Borrower other than the Specified Subsidiaries.

"Swingline Commitment": the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed \$30,000,000.

"Swingline Lender": Lehman Commercial Paper Inc., in its capacity as the lender of Swingline Loans.

"Swingline Loans": as defined in Section 2.3.

"Swingline Participation Amount": as defined in Section 2.6(c).

"Syndication Agents": as defined in the preamble hereto.

"Term Commitment Percentage": as to any Term Lender at any time, the percentage which such Term Lender's Term Loan Commitment constitutes of the aggregate Term Loan Commitments of all Term Loan Lenders.

"Term Commitment Termination Date": August 5, 2003.

"Term Lenders": each Lender that holds a Term Loan.

"Term Loan Commitment": as to any Term Loan Lender at any time, the obligation of such Lender, if any, to make Term Loans to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Term Loan Commitment" opposite such Lender's name on Schedule 1 to the Lender Addendum delivered by such Lender, or, as the case may be, in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof; provided that the original aggregate amount of the Term Loan Commitments is \$400,000,000.

"Term Loan Percentage": as to any Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding.

"Term Loans": as defined in Section 2.1(a).

"Total Revolving Commitments": at any time, the aggregate amount of the Revolving Commitments then in effect. The amount of the Total Revolving Commitments as of the Closing Date is \$120,000,000.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"Total Tranche A Extensions of Credit": at any time, the aggregate amount of the Tranche A LC Obligations and the Tranche A Loans outstanding at such time.

"Tranche A Commitment": as to any Tranche A Lender, the obligation of such Lender to make Tranche A Loans to the Borrower or (without duplication) to participate in Tranche A Letters of Credit. The aggregate amount of the Tranche A Commitments as of the Closing Date is \$80,000,000.

"Tranche A LC Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Tranche A Letters of Credit and

(b) the aggregate amount of drawings under Tranche A Letters of Credit that have not then been reimbursed by the Borrower pursuant to Section 3.6.

"Tranche A LC Termination Date": the earlier to occur of (i) May 28, 2008 and (ii) the date on which all Tranche A Letters of Credit are permanently canceled, expire or terminate.

"Tranche A Lender": each Lender that holds Tranche A Commitments or Tranche A Loans.

"Tranche A Letter of Credit": each Existing Letter of Credit (or portion thereof) set forth under the heading "Tranche A Letters of Credit" on Schedule 1.1 hereto, and each renewal thereof.

"Tranche A Loan": as defined in Section 3.6.

"Tranche A Percentage": as to any Tranche A Lender at any time, the percentage which such Lender's Tranche A Commitment then constitutes of the aggregate Tranche A Commitments (or, at any time after the Tranche A Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Tranche A Loans then outstanding constitutes of the aggregate principal amount of the Tranche A Loans then outstanding).

"Transferee": any Assignee or Participant.

"Trust Agreement": the Trust Agreement, dated December 31, 2002, between the Borrower and JPMorgan Chase Bank, as trustee, as amended from time to time in accordance with the terms hereof and thereof (and provided that no Event of Default would occur hereunder as a result of such amendment).

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"Uniform Customs": the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"United States": the United States of America.

"Voting Stock": with respect to any Person, any class or series of Capital Stock of such Person that is ordinarily entitled to vote in the election of directors thereof at a meeting of stockholders called for such purpose, without the occurrence of any additional event or contingency.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

1.2. Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and (iii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

Section 2. AMOUNT AND TERMS OF FACILITIES

2.1. Term Loans. Subject to the terms and conditions hereof, each Term Lender severally agrees to make a term loan (a "Term Loan") to the Borrower (i) on the Closing Date and (ii) on any other Business Day on or prior to August 5, 2003 in an amount, on each of the dates set forth in the preceding clauses (i) and (ii), equal to the amount of such requested Term Loan multiplied by such Term Lender's Term Commitment Percentage (which amounts in the aggregate shall not exceed the amount of the Term Loan Commitment of such Term Lender). The Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.4 and 2.12.

2.2. Revolving Commitments. (a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Percentage of the sum of (i) the RC LC Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.12.

(b) The Borrower and any one or more Revolving Lenders (including New Revolving Lenders) may agree that each such Lender shall obtain a Revolving Commitment or increase the amount of its existing Revolving Commitment, as applicable, in each case by executing and delivering to the Administrative Agent an Increased Revolving Facility Activation Notice specifying (i) the amount of such increase and (ii) the Increased Revolving Facility Closing Date. Notwithstanding the foregoing, without the consent of the Required Lenders, (i) the aggregate amount of incremental Revolving Commitments obtained pursuant to this paragraph shall not exceed \$40,000,000 and (ii) no more than three Increased Revolving Facility Closing Dates may be selected by the Borrower during the term of this Agreement. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(c) Any additional bank, financial institution or other entity which, with the consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a "Revolving Lender" under this Agreement in connection with any transaction described in Section 2.2(b) shall execute a New Revolving Lender Supplement (each, a "New Revolving Lender Supplement"), substantially in the form of Exhibit O, whereupon such bank, financial institution or other entity (a "New Revolving Lender") shall become a Revolving Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(d) For the purpose of providing that the respective amounts of Revolving Loans (and Eurodollar Tranches in respect thereof) held by the Revolving Lenders are held by them on a pro rata basis according to their respective Revolving Percentages, on each Increased Revolving Facility Closing Date (i) all outstanding Revolving Loans shall be converted into a single Revolving Loan that is a Eurodollar Loan (with an interest period to be selected by the Borrower), and upon such conversion the Borrower shall pay any amounts owing pursuant to Section 2.20, if any, (ii) any new borrowings of Revolving Loans on such date shall also be part of such single Revolving Loan and (iii) all Revolving Lenders (including the New Revolving Lenders) shall hold a portion of such single Revolving Loan equal to its Revolving Percentage thereof and any fundings on such date shall be made in such a manner so as to achieve the foregoing.

2.3. Swingline Commitment. Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans ("Swingline Loans") to the Borrower; provided that (a) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Loans hereunder, may exceed the Swingline Commitment then in effect) and (b) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

2.4. Procedure for Term Loan Borrowing. The Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, one Business Day prior to the anticipated Borrowing Date with respect to ABR Loans and three Business Days prior to the anticipated Borrowing Date with respect to Eurodollar Loans) requesting that the Term Lenders make the Term Loans on the Borrowing Date and specifying the amount to be borrowed. Each borrowing of Term Loans shall be in an amount equal to \$2,000,000 or a whole multiple of \$500,000 in excess thereof (or, if the then aggregate Available Term Commitments are less than \$2,000,000, such lesser amount). Upon receipt of such notice the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 12:00 Noon, New York City time, on the Borrowing Date each Term Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall make available to the Borrower the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in like funds.

2.5. Procedure for Revolving Loan Borrowing. (a) The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the

requested Borrowing Date, in the case of ABR Loans), specifying (i) the amount and Type of Loans to be borrowed, (ii) the requested Borrowing Date and (iii) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, \$2,000,000 or a whole multiple of \$500,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than \$2,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, \$3,000,000 or a whole multiple of \$1,000,000 in excess thereof; provided, that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.6 and the Borrower may request borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 3.6.

(b) Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each relevant Lender thereof. Each relevant Lender will make the amount of its pro rata share of each such borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the relevant Lenders and in like funds as received by the Administrative Agent or, if the borrowing was made pursuant to Section 3.6, by paying the Issuing Bank the amounts funded by it with respect to the Letter of Credit drawing which gave rise to such borrowing.

2.6. Procedure for Swingline Borrowing; Refunding of Swingline Loans(a) . (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 1:00 P.M., New York City time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Each borrowing under the Swingline Commitment shall be in an amount equal to \$500,000 or a whole multiple of \$100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may (and, not later than 10 Business Days after the making of a Swingline Loan, shall) on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 12:00 Noon, New York City time (with a copy of such notice being provided to the Borrower), request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline

Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans (with notice of such charge being provided to the Borrower, provided that the failure to give such notice shall not affect the validity of such charge).

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.6(b), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.6(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.6(b) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Revolving Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Revolving Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.6(b) and to purchase participating interests pursuant to Section 2.6(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.7. Repayment of Loans. (a) The Term Loan of each Term Lender shall mature in 24 installments, each of which shall be in an amount equal to such Term Lender's Term Loan Percentage multiplied by an amount equal to (x) the percentage set forth below opposite the applicable installment date multiplied by (y) the aggregate principal amount of Term Loans outstanding on the Term Commitment Termination Date less any amounts prepaid pursuant to Section 2.10 or 2.11 on or prior to such installment date (provided that the aggregate amount of the final installment shall in any event equal the aggregate then outstanding principal amount of the Term Loans):

Installment
 Percentage
 of
 Principal
 Amount ---

 September
 30, 2003
 0.25%
 December
 31, 2003
 0.25%
 March 31,
 2004 0.25%
 June 30,
 2004 0.25%
 September
 30, 2004
 0.25%
 December
 31, 2004
 0.25%
 March 31,
 2005 0.25%
 June 30,
 2005 0.25%
 September
 30, 2005
 0.25%
 December
 31, 2005
 0.25%
 March 31,
 2006 0.25%
 June 30,
 2006 0.25%
 September
 30, 2006
 0.25%
 December
 31, 2006
 0.25%
 March 31,
 2007 0.25%
 June 30,
 2007 0.25%
 September
 30, 2007
 0.25%
 December
 31, 2007
 0.25%
 March 31,
 2008 0.25%
 June 30,
 2008 0.25%
 September
 30, 2008
 23.75%
 December
 31, 2008
 23.75%
 March 31,
 2009
 23.75% May
 28, 2009
 23.75%

(b) The Borrower shall repay all outstanding Revolving Loans and Swingline Loans on the Revolving Scheduled Commitment Termination Date.

(c) The Borrower shall repay all outstanding Tranche A Loans on the Tranche A LC Termination Date.

2.8. Commitment Fees, Etc(a) . (a) The Borrower agrees to pay

to the Administrative Agent for the account of each Revolving Lender a commitment fee accruing during the Revolving Commitment Period, computed at a per annum rate equal to the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable on the last day of each March, June, September and December and on the Revolving Scheduled Commitment Termination Date.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Term Lender a commitment fee accruing during the period beginning on the Closing Date and ending on the Term Commitment Termination Date, computed at a per annum rate equal to 1/2 of 1% on the average daily amount of the Available Term Commitment of such Lender during the period for which payment is made, payable on the Term Commitment Termination Date.

(c) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Administrative Agent.

2.9. Termination or Reduction of Commitments. (a) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments;

provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such partial reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect.

(b) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Tranche A Commitments or, from time to time, to reduce the amount of the Tranche A Commitments; provided that no such termination or reduction of Tranche A Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Tranche A Loans made on the effective date thereof, the Total Tranche A Extensions of Credit would exceed the aggregate Tranche A Commitments. Any such partial reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof, and shall reduce permanently the Tranche A Commitments then in effect. Notwithstanding the foregoing, the Tranche A Commitments shall be automatically and permanently reduced on a dollar-for-dollar basis upon the cancellation, termination or expiration without renewal of each Tranche A Letter of Credit or any portion of the face amount thereof.

(c) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Term Loan Commitments or, from time to time, to reduce the amount of the Term Loan Commitments. Any such partial reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof, and shall reduce permanently the Term Loan Commitments then in effect.

2.10. Optional Prepayments. Subject to Section 2.17, the Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and at least one Business Day prior thereto in the case of ABR Loans, which notice shall specify the date and amount of prepayment and, if applicable, whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.20. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Loans (other than Swingline Loans) shall be in an aggregate principal amount of \$1,000,000 or a whole multiple thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of \$100,000 or a whole multiple thereof.

2.11. Mandatory Prepayments. (a) Unless the Required Prepayment Lenders shall otherwise agree, if any Capital Stock (other than any Capital Stock issued by the Borrower which yields Qualified Net Cash Equity Proceeds) shall be issued by the Borrower or any of its Subsidiaries at such time when the Consolidated Leverage Ratio (determined as at the end of the most recent period of four consecutive fiscal quarters ended prior to the required date of prepayment for which the relevant financial information is available on a pro forma basis as if such issuance had occurred on the first day of such period) is greater than or equal to 1.50 to 1.00, an amount equal to 25% of the Net Cash Proceeds thereof shall be applied within two Business Days following the date of such issuance (or with respect to Net Cash Proceeds at one time constituting Qualified Net Cash Equity Proceeds, failure to constitute Qualified Net Cash Equity Proceeds) toward the prepayment of the Term Loans.

(b) Unless the Required Prepayment Lenders shall otherwise agree, if any Indebtedness shall be incurred by the Borrower or any of its Subsidiaries (including any Indebtedness

incurred in accordance with Section 7.2(f)(iii), other than Indebtedness which yields Qualified Net Cash Debt Proceeds in an aggregate amount not to exceed \$175,000,000, but excluding any other Indebtedness incurred in accordance with Section 7.2), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence (or with respect to Net Cash Proceeds at one time constituting Qualified Net Cash Debt Proceeds, failure to constitute Qualified Net Cash Debt Proceeds) toward the prepayment of the Term Loans.

(c) Unless the Required Prepayment Lenders shall otherwise agree, if on any date the Borrower or any of its Subsidiaries shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, an amount equal to 75% of such Net Cash Proceeds shall be applied within two Business Days following such date toward the prepayment of the Term Loans; provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed \$25,000,000 in any fiscal year of the Borrower, and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Term Loans; provided, further, that, notwithstanding the foregoing, the Borrower shall not be required to prepay the Term Loans in accordance with this paragraph (c) except to the extent that the Net Cash Proceeds from all Asset Sales which have not been so applied equals or exceeds \$10,000,000 in the aggregate.

(d) Unless the Required Prepayment Lenders shall otherwise agree, if, for any fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2003, there shall be Excess Cash Flow and the Consolidated Leverage Ratio as of the last day of such fiscal year is greater than or equal to 1.50 to 1.00, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply 50% (or, if the Consolidated Leverage Ratio as of the last day of such fiscal year is less than 1.50 to 1.00 but greater than or equal to 1.00 to 1.00, 25%) of such Excess Cash Flow toward the prepayment of the Term Loans. Each such prepayment shall be made on a date (an "Excess Cash Flow Application Date") no later than five Business Days after the earlier of (i) the date on which the financial statements of the Borrower referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders and (ii) the date such financial statements are actually delivered.

(e) The application of any prepayment of Loans pursuant to this Section 2.11 shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under Section 2.11 (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.12. Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan under a particular Facility may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the

Administrative Agent, in accordance with the applicable provisions of the term "Interest Period", of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.13. Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to \$3,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than 15 Eurodollar Tranches shall be outstanding at any one time.

2.14. Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.14 plus 2% or (y) in the case of Reimbursement Obligations under the Revolving Facility or the Tranche A LC Facility, the rate applicable to ABR Loans under the Revolving Facility or the Tranche A LC Facility, respectively, plus 2% and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee, Letter of Credit fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (after as well as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.15. Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall

as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.15(a).

2.16. Inability to Determine Interest Rate. If prior to the first day of any Interest Period

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

2.17. Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the Commitments in the relevant Facility held by the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans or Tranche A Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans or Tranche A Loans then held by the Term Lenders or Tranche A Lenders, respectively. The amount of each principal prepayment of the Term Loans shall be applied to reduce the then remaining installments of the Term Loans on a pro rata basis based upon the then remaining principal amount thereof. Amounts repaid or prepaid on account of the Term Loans or Tranche A Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata to the Revolving Lenders according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment being made hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days of such required date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.18. Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the Closing Date:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded

Taxes covered by Section 2.19 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans, issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify (no more frequently than quarterly) the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the Closing Date shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor (which may be submitted no more frequently than quarterly), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than six months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such six-month period shall be extended to include the period of such retroactive effect.

(c) In determining any additional amounts payable pursuant to this Section 2.18, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable, provided that such Lender's determination of compensation owing under this Section 2.18 shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts will be payable pursuant to this Section 2.18, shall give prompt written notice of such determination to the Borrower, which notice shall show the basis for calculation of such additional amounts. The obligations of the Borrower pursuant to this Section 2.18 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.19. Taxes. (a) Subject to the last proviso of this paragraph (a), all payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts,

duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America (or any state thereof), or any estate or trust that is subject to federal income taxation regardless of the source of its income (a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form 8-BEN or Form 8-ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit G and a Form 8-BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the request of the Borrower as a result of the obsolescence, inaccuracy or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer qualified to provide or capable of providing any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this

paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) A Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(f) If any Lender receives a refund of any Non-Excluded Taxes or Other Taxes paid or indemnified by the Borrower under this Section 2.19, such Lender shall pay the amount of such refund to the Borrower within 15 days of the date it received such refund.

(g) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.20. Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.21. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.18, 2.19(a) or 2.23 with respect to such Lender, it will use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 2.18, 2.19(a) or 2.23.

2.22. Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.18 or 2.19(a) or (b) defaults in

its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.21 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.18 or 2.19(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.20 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.18 or 2.19(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

2.23. Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert ABR Loans to Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.20.

Section 3. LETTERS OF CREDIT

3.1. LC Commitments. (a) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the RC LC Participants or the Tranche A Lenders, as the case may be, set forth in this Section 3, agrees to issue, on any Business Day, Letters of Credit for the account of the Borrower (including the account of the Borrower acting on behalf of any of its Subsidiaries), each of which shall be designated according to the Facility under which such Letter of Credit is issued, as either an RC Letter of Credit or a Tranche A Letter of Credit, as the case may be, and in such form as may be approved from time to time by the Issuing Lender; provided that (i) the Issuing Lender shall have no obligation to issue any RC Letter of Credit if, after giving effect to such issuance, (x) the RC LC Obligations would exceed the Total Revolving Commitments or (y) the aggregate amount of the Available Revolving Commitments would be less than zero and (ii) the Tranche A Letters of Credit shall be Existing Letters of Credit (or portions thereof) only, as set forth on Schedule 1.1. Any portion of the Existing Letters of Credit in excess of the aggregate Tranche A Commitments on the Closing Date shall be deemed to constitute RC Letters of Credit, as specified on Schedule 1.1. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to (1) in the case of RC Letters of Credit, the Revolving Scheduled Commitment Termination Date or (2) in the case of Tranche A Letters of Credit, the date set forth in clause (i) of the definition of "Tranche A LC Termination Date"; provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above). Any draw on (and any reimbursement under) a Letter of Credit for which a portion is allocated to each of the Revolving Facility

and the Tranche A LC Facility shall be made on a pro rata basis between the Revolving Facility and the Tranche A LC Facility in proportion to the amount of such Letter of Credit allocated to such Facility.

(b) Each Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York.

(c) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any LC Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein an Application therefor (and, with respect to RC Letters of Credit, delivery of a copy of such Application to the Administrative Agent), completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower (and, with respect to RC Letters of Credit, to the Administrative Agent) promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.3. Fees and Other Charges. (a) The Borrower will pay a Letter of Credit fee calculated at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility or the Tranche A LC Facility, respectively, and payable on the face amount of all outstanding RC Letters of Credit and Tranche A Letters of Credit, in each case shared ratably among the Lenders under the relevant Facility and payable quarterly in arrears on each LC Fee Payment Date. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee of 0.25% per annum on the undrawn and unexpired amount of each Letter of Credit, payable quarterly in arrears on each LC Fee Payment Date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4. RC LC Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each RC LC Participant, and, to induce the Issuing Lender to issue RC Letters of Credit hereunder, each RC LC Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such RC LC Participant's own account and risk an undivided interest equal to such RC LC Participant's Revolving Percentage in the Issuing Lender's obligations and rights under each RC Letter of Credit (including, for the avoidance of doubt, any portion of an Existing Letter of Credit deemed to be a RC Letter of Credit in accordance with Section 3.1 and as indicated on Schedule 1.1) issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each RC LC Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any RC Letter of Credit for which the Issuing

Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such RC LC Participant shall pay to the Administrative Agent for the account of the Issuing Lender upon demand at the Administrative Agent's address for notices specified herein (and thereafter the Administrative Agent shall promptly pay to the Issuing Lender) an amount equal to such RC LC Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed.

(b) If any amount required to be paid by any RC LC Participant to the Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any RC Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, the Issuing Lender shall so notify the Administrative Agent, who shall promptly notify the RC LC Participants, and each such RC LC Participant shall pay to the Administrative Agent, for the account of the Issuing Lender, on demand (and thereafter the Administrative Agent shall promptly pay to the Issuing Lender) an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any RC LC Participant pursuant to Section 3.4(a) is not made available to the Administrative Agent for the account of the Issuing Lender by such RC LC Participant within three Business Days after the date such payment is due, the Administrative Agent on behalf of the Issuing Lender shall be entitled to recover from such RC LC Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the Administrative Agent submitted on behalf of the Issuing Lender to any RC LC Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any RC Letter of Credit and has received from the Administrative Agent any RC LC Participant's pro rata share of such payment in accordance with Section 3.4(a), the Issuing Lender receives any payment related to such RC Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to the Administrative Agent for the account of such RC LC Participant (and thereafter the Administrative Agent will promptly distribute to such RC LC Participant) its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such RC LC Participant shall return to the Administrative Agent for the account of the Issuing Lender (and thereafter the Administrative Agent shall promptly return to the Issuing Lender) the portion thereof previously distributed by the Issuing Lender.

(d) Each RC LC Participant's obligation to purchase participating interests pursuant to Section 3.4(a) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such RC LC Participant or the Borrower may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

3.5. Tranche A LC Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each Tranche A Lender, and, to induce the Issuing Lender to issue Tranche A Letters of Credit hereunder, each Tranche A Lender irrevocably agrees to accept and purchase and hereby accepts

and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such Tranche A Lender's own account and risk an undivided interest equal to such Tranche A Lender's Tranche A Percentage in the Issuing Lender's obligations and rights under each Tranche A Letter of Credit (including, for the avoidance of doubt, any portion of an Existing Letter of Credit deemed to be a Tranche A Letter of Credit in accordance with Section 3.1 and as indicated on Schedule 1.1) issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each Tranche A Lender unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Tranche A Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such Tranche A Lender shall pay to the Administrative Agent for the account of the Issuing Lender upon demand at the Administrative Agent's address for notices specified herein (and thereafter the Administrative Agent shall promptly pay to the Issuing Lender) an amount equal to such Tranche A Lender's Tranche A Percentage of the amount of such draft, or any part thereof, that is not so reimbursed.

(b) If any amount required to be paid by any Tranche A Lender to the Issuing Lender pursuant to Section 3.5(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Tranche A Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, the Issuing Lender shall so notify the Administrative Agent, who shall promptly notify the Tranche A Lenders, and each such Tranche A Lender shall pay to the Administrative Agent, for the account of the Issuing Lender, on demand (and thereafter the Administrative Agent shall promptly pay to the Issuing Lender) an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any Tranche A Lender pursuant to Section 3.5(a) is not made available to the Administrative Agent for the account of the Issuing Lender by such Tranche A Lender within three Business Days after the date such payment is due, the Administrative Agent on behalf of the Issuing Lender shall be entitled to recover from such Tranche A Lender, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Tranche A LC Facility. A certificate of the Administrative Agent submitted on behalf of the Issuing Lender to any Tranche A Lender with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Tranche A Letter of Credit and has received from the Administrative Agent any Tranche A Lender's pro rata share of such payment in accordance with Section 3.5(a), the Issuing Lender receives any payment related to such Tranche A Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of Collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to the Administrative Agent for the account of such Tranche A Lender (and thereafter the Administrative Agent will promptly distribute to such Tranche A Lender) its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such Tranche A Lender shall return to the Administrative Agent for the account of the Issuing Lender (and thereafter the Administrative Agent shall promptly return to the Issuing Lender) the portion thereof previously distributed by the Issuing Lender.

(d) Each Tranche A Lender's obligation to purchase participating interests pursuant to Section 3.5(a) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Tranche A Lender or the Borrower may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or

otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

3.6. Reimbursement Obligation of the Borrower. (a) The Borrower agrees to reimburse the Issuing Lender in accordance with this Section upon notification to the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Lender for the amount of (i) such draft so paid and (ii) any taxes, fees, charges or other reasonable costs or expenses incurred by the Issuing Lender in connection with such payment.

(b) In the case of RC Letters of Credit and Tranche A Letters of Credit, if the Borrower is notified as provided in the immediately preceding sentence by 2:00 P.M., New York City time, on any day, then the Borrower shall so reimburse the Issuing Lender by 12:00 Noon, New York City time, on the next succeeding Business Day, and, if so notified after 2:00 P.M., New York City time, on any day, the Borrower shall so reimburse the Issuing Lender by 12:00 Noon, New York City time, on the second succeeding Business Day.

(c) Each drawing under an RC Letter of Credit or Tranche A Letter of Credit shall (unless an event of the type described in Section 8(f) shall have occurred and be continuing with respect to the Borrower, in which case the procedures set forth in Sections 3.4 and 3.5 for the funding of participations shall apply) constitute a request by the Borrower to the Administrative Agent for a borrowing, in the amount of such drawing, (x) in the case of a drawing under an RC Letter of Credit, of ABR Revolving Loans pursuant to Section 2.5 (or, at the option of the Administrative Agent and the Swingline Lender in their sole discretion, a borrowing of Swingline Loans pursuant to Section 2.6) and (y) in the case of a drawing under a Tranche A Letter of Credit, of ABR Loans from the Tranche A Lenders ("Tranche A Loans"). The Borrowing Date with respect to any such borrowing shall be (i) in the case of Revolving Loans or Swingline Loans, the first date on which a borrowing of Revolving Loans (or, if applicable, Swingline Loans) could be made pursuant to Section 2.5 (or, if applicable, Section 2.7) if the Administrative Agent had received a notice of such borrowing at the time of such drawing under such RC Letter of Credit and (ii) in the case of Tranche A Loans, if such drawing occurred prior to 12:00 noon, New York City time, on the following Business Day and if such drawing occurred at or after 12:00 noon, New York City time, on the second following Business Day. Section 2.5(b) shall apply to borrowings of Tranche A Loans, *mutatis mutandis*.

(d) Each payment under this Section 3.6 shall be made to the Issuing Lender at its address for notices specified herein in lawful money of the United States and in immediately available funds. Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full in the case of RC Letters of Credit and Tranche A Letters of Credit, at the rate set forth in (i) until the second Business Day following the date of payment of the applicable drawing, Section 2.14(b) and (ii) thereafter, Section 2.14(c), in each case payable on demand.

3.7. Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.6 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower

against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions constituting gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Customs and, to the extent not inconsistent therewith, the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

3.8. Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.9. Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

Section 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, the Borrower hereby represents and warrants to the Administrative Agent and each Lender that:

4.1. Financial Condition. The audited consolidated balance sheet of the Borrower as at December 31, 2002, and the related consolidated statements of operations, stockholder's equity and cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from Grant Thornton LLP, present fairly the consolidated financial condition of the Borrower as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited consolidated balance sheet of the Borrower as at March 31, 2003, and the related unaudited consolidated and consolidating statements of income and cash flows for the three-month period ended on such date, present fairly the consolidated financial condition of the Borrower as at such date, and the consolidated results of its operations and its consolidated and consolidating cash flows for the three-month period then ended (subject to normal year-end audit adjustments and the absence of footnotes). Such financial statements have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). The Borrower and its Subsidiaries do not have any material Guarantee Obligations, contingent liabilities or liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the financial statements referred to in this paragraph. During the period from March 31, 2003 to and including the date hereof there has been no Disposition by the Borrower or any Subsidiary of any material part of its business or property.

4.2. No Change. Since December 31, 2002 there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3. Existence; Compliance with Law. Each of the Borrower and its Subsidiaries (a) is duly organized, validly existing and in good standing, if applicable, under the laws of the jurisdiction of its organization, (b) has the power (corporate or otherwise) and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other entity and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified and in good standing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4. Power; Authorization; Enforceable Obligations. Each Loan Party has the power (corporate or otherwise) and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary action (corporate or otherwise) to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 4.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5. No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any material Contractual Obligation of the Borrower or any of its Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents). No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6. Litigation. Except as set forth on Schedule 4.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any of its Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7. No Default. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8. Ownership of Property; Liens. Each of the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its material real property, and good title to, or a valid leasehold interest in, all its other material property, and none of such property is subject to any Lien except as permitted by Section 7.3.

4.9. Intellectual Property. The Borrower and each of its Subsidiaries owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does the Borrower know of any valid basis for any such claim. The use of Intellectual Property by the Borrower and its Subsidiaries does not infringe on the rights of any Person in any material respect.

4.10. Taxes. The Borrower and each of its Subsidiaries has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority to the extent due and payable (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be); no material tax Lien has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge, except to the extent that the validity thereof is being contested in good faith pursuant to appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be.

4.11. Federal Regulations. No part of the proceeds of any Loans will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12. Labor Matters. Except as set forth on Schedule 4.6 and as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against the Borrower or any of its Subsidiaries pending or, to the knowledge of the Borrower, threatened; (b) hours worked by and payment made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from the Borrower or any of its Subsidiaries on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the Borrower or the relevant Subsidiary.

4.13. ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien against the Borrower or any Commonly Controlled Entity and in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount. Neither the Borrower nor any Commonly Controlled

Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

4.14. Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15. Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees, independent contractors or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as created by the Loan Documents or as set forth on Schedule 4.15.

4.16. Use of Proceeds. The proceeds of the Term Loans shall be used as set forth in Section 6.11, and the proceeds of the Revolving Loans and the Swingline Loans, and the Letters of Credit, shall be used for general corporate purposes.

4.17. Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by the Borrower or any of its Subsidiaries (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation by Borrower or its Subsidiaries of, or could give rise to liability of Borrower or its Subsidiaries under, any Environmental Law;

(b) neither the Borrower nor any of its Subsidiaries has received any notice of, or is otherwise aware of, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business presently or formerly operated by the Borrower or any of its Subsidiaries (the "Business"), nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of by or on behalf of the Borrower or its Subsidiaries from the Properties or otherwise in connection with the Business, in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored, or disposed of, or have otherwise come to be located at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which the Borrower or any Subsidiary is or will be named as a party with respect to the Properties or the Business, nor

are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at, to, on, under or from the Properties or arising from or related to the operations of the Borrower or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability of Borrower or its Subsidiaries under Environmental Laws;

(f) the Borrower, its Subsidiaries, the Business, the Properties and all operations at the Properties are in compliance and have in the last five years been in compliance with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) neither the Borrower nor any of its Subsidiaries has, by contract or by operation of law, assumed any liability of any other Person or agreed to indemnify any other person for liability under Environmental Laws.

4.18. Accuracy of Information, etc. (a) No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

(b) The Borrower's Annual Report on Form 10-K for the year ended December 31, 2002 and the Borrower's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (collectively the "Borrower's SEC Reports") as of their respective filing dates complied in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder applicable to the Borrower's SEC Reports. None of the Borrower's SEC Reports at the time of filing contained any untrue statements of material fact or omitted a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Forward looking statements and other statements contained in the Borrower's SEC Reports are subject to the cautionary language and risk factors contained in the Borrower's SEC Reports.

4.19. Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described in Section 3 thereof and proceeds of such Collateral. In the case of (i) the Pledged Equity Interests described in the Guarantee and Collateral

Agreement, when stock certificates representing such certificated Pledged Equity Interests are delivered to the Administrative Agent or when financing statements in appropriate form are filed in the offices specified on Schedule 4.19(a) and (ii) the other Collateral described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.19(a) (or otherwise notified to the Administrative Agent) in appropriate form are filed in the offices specified on Schedule 4.19(a) (or otherwise notified to the Administrative Agent), the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (other than Vehicles (as defined in the Guarantee and Collateral Agreement), Deposit Accounts (as defined in the Guarantee and Collateral Agreement), and leasehold estates in real property) and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Equity Interests, Liens permitted by Section 7.3).

(b) Each of the Mortgages is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof and constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person except Liens permitted by Section 7.3.

4.20. Solvency. Each Loan Party is on the Closing Date (after giving effect to the transactions contemplated by this Agreement), and will continue to be, Solvent.

4.21. Senior Indebtedness. The Obligations constitute "Senior Indebtedness" of the Borrower under and as defined in each Senior Subordinated Note Indenture. The obligations of each Subsidiary Guarantor under the Guarantee and Collateral Agreement constitute "Guarantor Senior Indebtedness" of such Subsidiary Guarantor under and as defined in each Senior Subordinated Note Indenture.

4.22. Regulation H. No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968.

4.23. Insurance. Each of the Borrower and its Subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged; and none of the Borrower or any of its Subsidiaries (i) has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance or (ii) has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers at a cost that could not reasonably be expected to have a Material Adverse Effect.

4.24. Lease Payments. Each of the Borrower and its Subsidiaries has paid all payments required to be made by it within any specified grace periods under leases of real property where any of the Collateral is or may be located from time to time (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or such Subsidiary, as the case may be), except as could not reasonably be expected to have a Material Adverse Effect; no landlord Lien has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such payments, in each case that could, when taken together with any other such liens or

claims, reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary owns any real property in fee simple.

Section 5. CONDITIONS PRECEDENT

5.1. Conditions to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction, prior to or concurrently with the making of the Term Loans on the Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by a duly authorized officer of the Borrower, (ii) the Guarantee and Collateral Agreement, executed and delivered by a duly authorized officer of the Borrower and each Subsidiary Guarantor, (iii) each Note requested by any Lender, (iv) the Subordinated Intercompany Note and (v) the Intellectual Property Security Agreement.

(b) Closing Certificate. The Administrative Agent shall have received, with a counterpart for each Lender, a certificate of the Borrower and each Subsidiary Guarantor, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(c) Approvals. All governmental and third party approvals necessary or, in the discretion of the Administrative Agent, advisable in connection with the continuing operations of the Borrower and its Subsidiaries and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(d) Termination of Existing Credit Facilities. The Administrative Agent shall have received evidence satisfactory to the Administrative Agent that all amounts under the Existing Credit Agreement shall be paid in full on the Closing Date (except that the Existing Letters of Credit shall remain in effect and shall become Letters of Credit hereunder) and arrangements satisfactory to the Administrative Agent shall have been made for the termination of Liens and security interests granted in connection therewith.

(e) Fees. The Lenders, the Arrangers and each Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including, without limitation, the reasonable fees, disbursements and other charges of counsel to the Agents), on or before the Closing Date. All such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Closing Date.

(f) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions or offices (including, without limitation, in the United States Patent and Trademark Office and the United States Copyright Office) requested by the Administrative Agent in which UCC financing statements or other filings or recordations should be made (or would have been made under the UCC as in effect immediately prior to July 1, 2001) to evidence or perfect (with the priority required under the Loan Documents) security interests in the Collateral, and such search shall reveal no Liens on any of the assets of the Borrower or its Subsidiaries except for Liens permitted by Section 7.3.

(g) Other Certifications. The Administrative Agent shall have received the following:

(i) a copy of the charter of the Borrower and each Subsidiary Guarantor and each amendment thereto, certified (as of a date reasonably near the Closing Date) as being a true and correct copy thereof by the Secretary of State or other applicable Governmental Authority of the jurisdiction in which each such Loan Party is organized;

(ii) a copy of a certificate of the Secretary of State or other applicable Governmental Authority of the jurisdiction in which each such Loan Party is organized, dated reasonably near the Closing Date, listing the charter of such Loan Party and each amendment thereto on file in such office and certifying that (A) such amendments are the only amendments to such Person's charter on file in such office, (B) such Person has paid all franchise taxes to the date of such certificate and (C) such Person is duly organized and in good standing under the laws of such jurisdiction;

(iii) a telephonic confirmation from the Secretary of State or other applicable Governmental Authority of each jurisdiction in which each such Person is organized certifying that the Borrower and each Subsidiary Guarantor is duly organized and in good standing under the laws of such jurisdiction on the Closing Date, together with a written confirmatory report in respect thereof prepared by, or on behalf of, a filing service acceptable to the Administrative Agent; and

(iv) a copy of a certificate of the Secretary of State or other applicable Governmental Authority of each jurisdiction reasonably requested by the Administrative Agent, dated reasonably near the Closing Date, stating that the Borrower and each of its Subsidiaries is duly qualified and in good standing as a foreign corporation or entity in each such jurisdiction and has filed all annual reports required to be filed to the date of such certificate, provided that the failure to be so duly qualified in any particular jurisdiction shall not constitute a failure of this condition precedent unless such failure, when taken together with any other such failure in any other applicable jurisdiction, could reasonably be expected to have a Material Adverse Effect.

(h) Legal Opinions. The Administrative Agent shall have received the executed legal opinion of Winstead Sechrest & Minick P.C., counsel to the Borrower and its Subsidiaries, substantially in the form of Exhibit F.

(i) Pledged Equity Interests; Stock Power; Pledged Notes . The Administrative Agent shall have received (i) all originals of the certificates representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power or other power of transfer for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) all originals of each promissory note, if any, pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank satisfactory to the Administrative Agent) by the pledgor thereof.

(j) Filings, Registrations and Recordings. Each document (including, without limitation, any UCC financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on, and security interest in, the Collateral described therein, prior and superior in right to any

other Person (other than Liens permitted by Section 7.3), shall have been duly prepared for filing, registration or recordation, as applicable, and delivered to the Administrative Agent and shall be in form and substance reasonably satisfactory to the Administrative Agent.

(k) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 5.3 of the Guarantee and Collateral Agreement.

(l) Miscellaneous. The Administrative Agent shall have received such other documents, agreements, certificates and information as it shall reasonably request.

5.2. Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (unless such representations expressly relate to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

Section 6. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as any Commitment remains in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, the Borrower shall and shall cause each of its Subsidiaries to:

6.1. Financial Statements. Furnish to the Administrative Agent with sufficient copies for each Lender (and the Administrative Agent shall promptly provide to each Lender, by posting to Intralinks or otherwise):

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Grant Thornton LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in

comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of notes thereto).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

6.2. Certificates; Other Information. Furnish to the Administrative Agent with sufficient copies for each Lender (or, in the case of clause (g), to the relevant Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by the Borrower and its Subsidiaries with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, and (y) to the extent not previously disclosed to the Administrative Agent, a report describing each new Subsidiary of any Loan Party, any change in the name or jurisdiction of organization of any Loan Party and any new fee owned real property or material Intellectual Property acquired by any Loan Party since the date of the most recent report delivered pursuant to this clause (y);

(c) as soon as available, and in any event no later than 45 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income, resulting applicable financial covenant ratios and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(d) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the portion of the Projections covering such periods and to the comparable periods of the previous year; provided that delivery of the Report on Form 10-Q filed with the SEC with respect to such fiscal quarter shall be deemed to satisfy the foregoing requirement;

(e) no later than five Business Days prior to the effectiveness thereof, copies of substantially final drafts of any proposed amendment, supplement, waiver or other modification

with respect to the Senior Subordinated Note Indenture if the effectiveness thereof requires the approval of any percentage of the holders of Indebtedness thereunder;

(f) within five Business Days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five Business Days after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC; and

(g) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

6.3. Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be.

6.4. Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its corporate (or other) existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5. Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption expense coverage) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6. Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) subject to the provisions of Section 10.14, permit representatives of any Lender, upon reasonable prior notice, to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Borrower and its Subsidiaries with officers and employees of the Borrower and its Subsidiaries and with its independent certified public accountants.

6.7. Notices. Promptly give notice to the Administrative Agent with sufficient copies for each Lender (and the Administrative Agent shall promptly provide such notice to each Lender, by posting to Intralinks or otherwise) of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of the Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding that may exist at any time between the Borrower or any of its Subsidiaries and any Governmental Authority, that

in either case, if not cured or if reasonably expected to be adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting the Borrower or any of its Subsidiaries in which (x) the amount claimed is (i) \$20,000,000 or more and (ii) not covered by insurance or (y) injunctive or similar relief is sought which could reasonably be expected to be granted and which, if granted, could reasonably be expected to have a Material Adverse Effect;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer Plan or Multiemployer Plan; and

(e) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Subsidiary proposes to take with respect thereto.

6.8. Environmental Laws. Except as could not reasonably be expected to have a Material Adverse Effect:

(a) comply with, and contractually require compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and contractually require that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws; and

(b) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9. Additional Collateral, etc. (a) With respect to any property acquired after the Closing Date by the Borrower or any of its Subsidiaries (other than (w) any vehicles and any immaterial inventory and equipment, (x) any property described in paragraph (b), (c) or (d) below, (y) any property subject to a Lien expressly permitted by Section 7.3(g) or (j) and (z) property acquired by any Specified Subsidiary) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) With respect to any fee interest in any real property having a value (together with improvements thereof) of at least \$750,000 acquired after the Closing Date by the Borrower or any of its Subsidiaries (other than (x) any such real property subject to a Lien expressly permitted by Section 7.3(g) or (j) and (z) real property acquired by any Specified Subsidiary), promptly (i) execute and deliver a first priority Mortgage, in favor of the Administrative Agent, for the benefit of the Secured Parties, covering such real property, (ii) if requested by the Administrative Agent, provide the Lenders with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate and (y) any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any new Subsidiary (other than an Excluded Foreign Subsidiary) created or acquired after the Closing Date by the Borrower or any of its Subsidiaries (which, for the purposes of this paragraph (c), shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary but shall exclude Legacy Trust and the Insurance Subsidiary), promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by the Borrower or any of its Subsidiaries (except Capital Stock constituting Investments permitted under Section 7.8(g) or (j)), (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock (or other transfer) powers, in blank, executed and delivered by a duly authorized officer of the Borrower or such Subsidiary, as the case may be, and (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(d) With respect to any new Excluded Foreign Subsidiary created or acquired after the Closing Date by the Borrower or any of its Subsidiaries, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by the Borrower or any of its Subsidiaries (provided that in no event shall more than 65% of the total outstanding voting Capital Stock of any such new Subsidiary be required to be so pledged), and (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock (or other transfer) powers, in blank, executed and delivered by a duly authorized officer of the Borrower or such Subsidiary, as the case may be, and take such other action as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein.

6.10. Permitted Acquisitions and Permitted Foreign Acquisitions. (a) Deliver to the Lenders, within ten Business Days following the closing date of any Permitted Acquisition or Permitted Foreign Acquisition involving a Purchase Price less than \$35,000,000 (other than any such acquisition

that, together with any related acquisition, involves less than thirty stores), each of the following: (i) a description of the property, assets and/or equity interest being purchased, in reasonable detail; and (ii) a copy of the purchase agreement pursuant to which such acquisition was consummated or a term sheet or other description setting forth the essential terms and the basic structure of such acquisition.

(b) Deliver to the Lenders, not less than ten Business Days prior to the closing date of any Permitted Acquisition or Permitted Foreign Acquisition involving a Purchase Price greater than or equal to \$35,000,000, each of the following: (A) a description of the property, assets and/or equity interest being purchased, in reasonable detail; (B) a copy of the purchase agreement pursuant to which such acquisition was or is to be consummated or a term sheet or other description setting forth the essential terms and the basic structure of such acquisition; (C) projected statements of income for the entity that is being acquired (or the assets, if an acquisition of assets) for at least a two-year period following such acquisition (including a summary of assumptions or pro forma adjustments for such projections); (D) to the extent made available to the Borrower, historical financial statements for the entity that is being acquired (or the assets, if an acquisition of assets) (including balance sheets and statements of income, retained earnings and cash flows for at least a two-year period prior to such acquisition); and (E) confirmation, supported by detailed calculations, that the Borrower and its Subsidiaries would have been in compliance with all the covenants in Section 7.1 for the fiscal quarter ending immediately prior to the consummation of such acquisition, with such compliance determined on a pro forma basis as if such acquisition had been consummated on the first day of the Reference Period ending on the last day of such fiscal quarter.

6.11. Use of Proceeds. Apply the proceeds of the Term Loans advanced on the Closing Date to repay in full all outstanding obligations of RAC East under the Existing Credit Agreement, and, on each subsequent Borrowing Date of Term Loans, apply the proceeds of such Term Loans (i) to the repurchase of the Borrower's Capital Stock pursuant to the equity tender offer dated April 28, 2003, (ii) to the repurchase of the Borrower's Capital Stock from the Sponsor pursuant to an agreement dated as of April 25, 2003, (iii) to open market repurchases of the Borrower's Capital Stock otherwise permitted by this Agreement and (iv) for general corporate purposes.

6.12. Further Assurances. From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request, for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Administrative Agent and the Secured Parties with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other property or assets hereafter acquired by the Borrower or any Subsidiary which may be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent or any Secured Party of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent or such Lender may be required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

Section 7. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1. Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending on or after June 30, 2003 to exceed 2.75 to 1.00.

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio for any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter during any period set forth below to be less than the ratio set forth below opposite such period:

Consolidated
Period
Interest
Coverage
Ratio -----

--- Fiscal
year 2003
3.50 to
1.00 Fiscal
year 2004
and
thereafter
4.00 to
1.00

(c) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio for any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below to be less than the ratio set forth below opposite such period:

Consolidated
Period
Fixed
Charge
Coverage
Ratio -----

----- On
or prior to
June 30,
2008 1.50
to 1.00
September
30, 2008
1.25 to
1.00
December
31, 2008
and
thereafter
1.00 to
1.00

7.2. Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) (i) Indebtedness of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary; provided, that such Indebtedness owing by any Loan Party shall be subordinated to the obligations of such Loan Party under the Loan Documents as set forth in the Subordinated Intercompany Note and (ii) Indebtedness of the Borrower and any Subsidiary to the Insurance Subsidiary in an aggregate amount not to exceed \$35,000,000 at any time outstanding that cannot be subordinated to the obligations of such Loan Party under the Loan Documents for regulatory reasons or would cause the carrying value for regulatory valuation purposes to be decreased;

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of

any Wholly Owned Subsidiary Guarantor;

(d) Indebtedness (other than the Indebtedness referred to in Section 7.2(b), (e), (f) and (h)) outstanding on the Closing Date and listed on Schedule 7.2(d) and any refinancings,

refundings, renewals or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof);

(e) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed \$15,000,000 at any one time outstanding;

(f) (i) Indebtedness of the Borrower (and, with respect to not more than \$89,455,000 of the amount referred to in clause (x) below, RAC East) in respect of the Senior Subordinated Notes in an aggregate principal amount not to exceed (x) during the period from and including the Closing Date to but excluding August 16, 2003, \$389,455,000 and (y) thereafter, \$300,000,000 and any refinancings thereof (without increasing, or shortening the maturity of, the principal amount thereof) with other unsecured subordinated notes of the Borrower that have terms (other than the interest rate) no less favorable to the Borrower and its Subsidiaries (taken as a whole) and, in the judgment of the Administrative Agent, to the Lenders (taken as a whole) than the notes being so refinanced and an interest rate thereon not exceeding the then applicable market interest rate, (ii) Guarantee Obligations of any Subsidiary Guarantor in respect of such Indebtedness and Guarantee Obligations of the Borrower in respect of Indebtedness of RAC East specified in clause (x) above, provided that such Guarantee Obligations are subordinated to the same extent as the obligations of the Borrower in respect of the Senior Subordinated Notes or any notes issued pursuant to a refinancing permitted pursuant to clause (i) above and (iii) additional unsecured subordinated notes of the Borrower not permitted pursuant to clause (i) above that have terms (other than the interest rate) no less favorable to the Borrower and its Subsidiaries (taken as a whole) and, in the judgment of the Administrative Agent, to the Lenders (taken as a whole) than the Senior Subordinated Notes and an interest rate thereon not exceeding the then applicable market interest rate provided that all Net Cash Proceeds of such unsecured subordinated notes are applied to the prepayment of the Term Loans except that, notwithstanding the foregoing, \$175,000,000 of such Net Cash Proceeds that constitute Qualified Net Cash Debt Proceeds may be applied to Permitted Acquisitions or Permitted Foreign Acquisitions;

(g) Assumed Indebtedness incurred pursuant to Permitted Acquisitions or Permitted Foreign Acquisitions consummated after the Closing Date in an aggregate amount not to exceed \$100,000,000 at any time outstanding;

(h) Guarantee Obligations of the Borrower or any Subsidiary in respect of Indebtedness of franchisees not to exceed \$75,000,000 at any one time outstanding; and

(i) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount (for the Borrower and all Subsidiaries) not to exceed \$35,000,000 at any one time outstanding.

7.3. Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlords' or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for

which adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the Closing Date listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d), provided that no such Lien is spread to cover any additional property after the Closing Date (other than "products" and "proceeds" thereof, as each such term is defined in the Uniform Commercial Code of the State of New York) and that the amount of Indebtedness secured thereby is not increased;

(g) Liens securing Indebtedness of the Borrower or any of its Subsidiaries incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness (including the "products" and "proceeds" thereof, as each such term is defined in the Uniform Commercial Code of the State of New York) and (iii) the amount of Indebtedness secured thereby is not increased;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

(j) Liens on the property or assets of an Acquired Business or Acquired Foreign Business occurring or arising after the Closing Date and securing Assumed Indebtedness in an amount not to exceed \$50,000,000, provided that such Liens (i) were not incurred in contemplation of the Permitted Acquisition or the Permitted Foreign Acquisition consummated in conjunction with the assumption of such Assumed Indebtedness and (ii) do not encumber any property other than the property acquired pursuant to such acquisition;

(k) Liens of securities intermediaries and depository banks on the accounts held by them to secure the payment of fees and expenses payable to them in respect of the maintenance of such accounts; and

(l) Liens not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Borrower and all Subsidiaries) \$25,000,000 at any one time.

7.4. Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of, all or substantially all of its property or business, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Wholly Owned Subsidiary Guarantor (provided that the Wholly Owned Subsidiary Guarantor shall be the continuing or surviving corporation);

(b) any Subsidiary of the Borrower may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any Wholly Owned Subsidiary Guarantor; and

(c) any Permitted Acquisition and any Permitted Foreign Acquisition may be structured as a merger with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Wholly Owned Subsidiary Guarantor (provided that such Wholly Owned Subsidiary Guarantor shall be the continuing or surviving corporation).

7.5. Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary of the Borrower, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions (i) by the Borrower of any of its assets to any Wholly Owned Subsidiary Guarantor and (ii) by any Subsidiary of the Borrower of any of its assets (upon voluntary liquidation or otherwise) to the Borrower or any Wholly Owned Subsidiary Guarantor;

(d) the sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Wholly Owned Subsidiary Guarantor;

(e) the Disposition of other property having a fair market value not to exceed \$50,000,000 for any fiscal year of the Borrower; provided, that the requirements of Section 2.11(c) are complied with in connection therewith; and

(f) Dispositions referred to in Sections 7.8(f), (g) and (h);

(g) Dispositions to or by Legacy Trust or the Insurance Subsidiary of Capital Stock of the Borrower;

(h) Dispositions to or by Legacy Trust or the Insurance Subsidiary of Indebtedness described in Section 7.2(b) to the Borrower or any Wholly Owned Subsidiary Guarantor;

(i) Dispositions by the Borrower to Legacy Trust of cash in an amount not to exceed (when taken together with the amount of Restricted Payments made pursuant to Section 7.6(e)) the amount necessary to pay operating costs and expenses of Legacy Trust incurred in the ordinary course of business (not to exceed \$150,000 per fiscal year of the Borrower) and to make

payments to Third Party Beneficiaries (as defined in the Trust Agreement) pursuant to and in accordance with the Trust Agreement as in effect on the date hereof and Dispositions by Legacy Trust of such cash to such Third Party Beneficiaries; and

(j) Dispositions by the Insurance Subsidiary effected solely for the purpose of liquidating assets in order to permit the Insurance Subsidiary to pay expenses and to make payments on insurance claims of the Borrower and/or any of its Subsidiaries with the proceeds of such Dispositions.

7.6. Restricted Payments. Declare or pay any dividend (other than dividends payable solely in (i) common stock of the Person making such dividend or (ii) the same class of Capital Stock of the Person making such dividend on which such dividend is being declared or paid, other than, in any such case, Disqualified Stock) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary Guarantor;

(b) so long as no Default or Event of Default shall have occurred and be continuing, the Borrower may purchase the Borrower's common stock or common stock options, provided, (i) that the aggregate amount of payments under this paragraph (b) after the Closing Date shall not exceed \$1,000,000 (excluding any such purchases permitted pursuant to the following clause (ii)) and (ii) the Borrower may consummate such purchases pursuant to the equity tender offer dated April 28, 2003, pursuant to a purchase agreement with the Sponsor dated April 25, 2003 or pursuant to open market bids, provided that the purchases permitted by this clause (ii) shall not exceed \$212,000,000 (the "Repurchase Amount") in the aggregate and shall be consummated on or prior to August 5, 2003;

(c) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may declare and pay dividends on the Preferred Stock on and after August 5, 2003;

(d) (1) so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect thereto, the Consolidated Leverage Ratio is less than 2.50 to 1.00, (x) the Borrower may pay dividends on its Capital Stock or repurchase the Borrower's Capital Stock or the Insurance Subsidiary may repurchase the Borrower's Capital Stock (collectively, "Stock Payments") so long as the aggregate amount so expended pursuant to this clause (x), when added to the aggregate amount expended to repurchase Senior Subordinated Notes pursuant to clause (x) of Section 7.9(a), does not exceed the sum of (A) \$75,000,000 and (B) following August 5, 2003, any portion of the Repurchase Amount which was not used to purchase the Borrower's common stock or common stock options pursuant to clause (ii) of Section 7.6(b) on or prior to August 5, 2003 and (y) in addition, the Borrower may make Stock Payments so long as (I) such payments are made after the basket set forth in clause (x) above has been fully utilized and (II) the aggregate amount so expended pursuant to this clause (y), when added to the aggregate amount expended to repurchase, repay or prepay Senior Subordinated Notes pursuant to clause (y) of Section 7.9(a), does not exceed 25% of the Consolidated Net Income Amount, and (2) so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect

thereto, the Consolidated Leverage Ratio is less than 1.25 to 1.00, the Borrower may make Stock Payments (in addition to the Stock Payments permitted in clause 1 above) so long as the aggregate amount expended pursuant to this clause (2), when added to the aggregate amount expended to repurchase Senior Subordinated Notes pursuant to clause (2) of Section 7.9(a), does not exceed \$55,000,000;

(e) the Borrower may repurchase shares of its common stock from Legacy Trust in an amount not to exceed (when taken together with the amount of cash Dispositions made pursuant to Section 7.5(i)) the amount necessary to pay operating costs and expenses of Legacy Trust incurred in the ordinary course of business (not to exceed \$150,000 per fiscal year of the Borrower) and to make payments to Third Party Beneficiaries (as defined in the Trust Agreement) pursuant to and in accordance with the Trust Agreement as in effect on the date hereof;

(f) the Borrower may repurchase shares of its common stock from the Insurance Subsidiary in an amount not to exceed (when taken together with the amount of Dispositions made pursuant to Section 7.5(j)) the amount necessary to (i) pay operating costs and expenses of the Insurance Subsidiary incurred in the ordinary course of business (not to exceed \$250,000 per fiscal year of the Borrower) and (ii) permit the Insurance Subsidiary to make payments on insurance claims of the Borrower and/or any of its Subsidiaries with the proceeds of such repurchase; and

(g) the Insurance Subsidiary may purchase shares of the common stock of the Borrower from the Borrower or any Subsidiary.

7.7. Capital Expenditures. (a) Make or commit to make any Capital Expenditure (Maintenance), except (i) Capital Expenditures (Maintenance) of the Borrower and its Subsidiaries not exceeding \$60,000,000 in the aggregate during fiscal year 2003, \$65,000,000 in the aggregate during fiscal year 2004, \$70,000,000 in the aggregate during fiscal year 2005 and \$75,000,000 in the aggregate during fiscal year 2006 and each fiscal year thereafter; provided, that (A) up to \$15,000,000 of any such amount, if not so expended in the fiscal year for which it is permitted, may be carried over for expenditure in the next succeeding fiscal year and (B) Capital Expenditures (Maintenance) made pursuant to this clause (i) during any fiscal year shall be deemed made, first, in respect of the amount initially permitted for such fiscal year as provided above and, second, in respect of amounts carried over from the prior fiscal year pursuant to subclause (A) above and (ii) Capital Expenditures (Maintenance) made with the proceeds of any Reinvestment Deferred Amount.

(b) Make or commit to make any Capital Expenditure (Expansion), except (i) Capital Expenditures (Expansion) of the Borrower and its Subsidiaries not exceeding in the aggregate for any fiscal year \$30,000,000; provided, that (A) up to \$15,000,000 of such amount, if not so expended in the fiscal year for which it is permitted, may be carried over for expenditure in the next succeeding fiscal year and (B) Capital Expenditures (Expansion) made pursuant to this clause (i) during any fiscal year shall be deemed made, first, in respect of the \$30,000,000 initially permitted for such fiscal year as provided above and, second, in respect of amounts carried over from the prior fiscal year pursuant to subclause (A) above and (ii) Capital Expenditures (Expansion) made with the proceeds of any Reinvestment Deferred Amount.

7.8. Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any other Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to employees of the Borrower or any Subsidiary of the Borrower in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for the Borrower and its Subsidiaries not to exceed \$5,000,000 at any one time outstanding;

(e) intercompany Investments by the Borrower or any of its Subsidiaries in the Borrower or any Person that, prior to and after giving effect to such Investment and any related transactions, is a Wholly Owned Subsidiary Guarantor;

(f) Investments made on or after the Closing Date in the Insurance Subsidiary to the extent required to meet regulatory capital guidelines, policies or rules in an amount not to exceed \$25,000,000 in the aggregate;

(g) Investments in the Insurance Subsidiary or Legacy Trust consisting of the contribution of common stock of the Borrower and Investments by the Insurance Subsidiary or Legacy Trust in the common stock of the Borrower;

(h) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) not to exceed \$10,000,000 (net of the amount of any Net Cash Proceeds received by the Borrower and its Subsidiaries in respect of a Disposition of any such Investment; provided, that such amount shall be calculated from the Closing Date and not exceed the original amount of such Investment) during the term of this Agreement;

(i) additional Investments constituting Permitted Acquisitions or Permitted Foreign Acquisitions;

(j) Investments by the Insurance Subsidiary or Legacy Trust in indebtedness of the Borrower and the Wholly Owned Subsidiary Guarantors described in Section 7.2(b);

(k) Investments in Legacy Trust described in Section 7.5(i);
and

(l) Investments in the Insurance Subsidiary in amounts not to exceed, in any fiscal year of the Borrower, the lesser of (x) \$75,000,000 and (y) the amount that will appear as an expense for self-insurance costs on the Borrower's consolidated income statement.

7.9. Payments and Modifications of Certain Debt Instruments and Preferred Stock. (a) Make or offer to make any payment, prepayment, repurchase or redemption of or otherwise defease or segregate funds with respect to the Senior Subordinated Notes, other than interest payments expressly required by the terms thereof and other than pursuant to prepayments or repayments thereof with the proceeds of other Senior Subordinated Notes, provided, that, (1) so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect thereto, the Consolidated Leverage Ratio is less than 2.50 to 1.00, (x) the Borrower may repurchase, repay or prepay Senior Subordinated Notes so long as the aggregate amount so expended pursuant to this clause (x), when added to the aggregate amount expended to make Stock Payments pursuant to clause (x)

of Section 7.6(d), does not exceed \$75,000,000 and (y) in addition, the Borrower may repurchase, repay or prepay Senior Subordinated Notes so long as (I) such repurchase, repayment or prepayment is made after the basket set forth in clause (x) above has been fully utilized and (II) the aggregate amount so expended pursuant to this clause (y), when added to the aggregate amount expended to make Stock Payments pursuant to clause (y) of Section 7.6(d), does not exceed 25% of the Consolidated Net Income Amount, (2) so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect thereto, the Consolidated Leverage Ratio is less than 1.25 to 1.00, the Borrower may repurchase, repay or prepay Senior Subordinated Notes (in addition to the repurchases, repayments or prepayments permitted in clause 1 above) so long as the aggregate amount so expended pursuant to this clause (2), when added to the aggregate amount expended to make Stock Payments pursuant to clause (2) of Section 7.6(d), does not exceed \$55,000,000 and (3) RAC East may repurchase, repay or prepay up to \$85,000,000 in aggregate principal amount of its Senior Subordinated Notes prior to August 16, 2003 in accordance with the terms thereof, (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Senior Subordinated Notes or the Senior Subordinated Note Indenture (other than any such amendment, modification, waiver or other change that (i) (x) would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon or (y) does not materially adversely affect the interests of the Lenders and (ii) does not involve the payment of a consent fee, other than a consent fee not to exceed 2.0% of the principal amount of Senior Subordinated Notes held by consenting holders in connection with consents solicited in conjunction with the prepayment of such Senior Subordinated Notes) (it being understood that amendments designed to permit an additional issuance of Senior Subordinated Notes incurred in accordance with Section 7.2(f) shall not be restricted by this clause (b)), (c) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Preferred Stock if the effect thereof is to bring forward the scheduled redemption date or increase the amount of any scheduled redemption payment or increase the rate or bring forward any date for payment of dividends thereon or (d) designate any Indebtedness (other than obligations of the Loan Parties pursuant to the Loan Documents) as "Designated Senior Indebtedness" (howsoever defined) for the purposes of the Senior Subordinated Note Indenture.

7.10. Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the Borrower or such Subsidiary, as the case may be, and (c) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate, provided that the foregoing limitation shall not apply to (i) Investments, Dispositions or Restricted Payments involving the Insurance Subsidiary or Legacy Trust to the extent expressly permitted by this Agreement or (ii) Restricted Payments made to the Sponsor that are permitted by Section 7.6 hereof.

7.11. Sales/Leaseback Transactions. Enter into any Sale/Leaseback Transaction.

7.12. Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than December 31 or change the Borrower's method of determining fiscal quarters.

7.13. Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of the Borrower or any of its Subsidiaries (other than the Insurance Subsidiary and Legacy Trust) to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents, (b) any agreement governing any purchase money Liens or Capital Lease

Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (c) any agreement acquired pursuant to a Permitted Acquisition or a Permitted Foreign Acquisition that restricts assignment of such acquired agreement, provided that such restrictions on assignment were not entered into in contemplation of or in connection with such Permitted Acquisition or Permitted Foreign Acquisition.

7.14. Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) restrictions in effect on the Closing Date and listed on Schedule 7.14, (iii) in the case of clause (c) above, customary non-assignment clauses in leases and other contracts entered into in the ordinary course of business, (iv) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (v) restrictions with respect to a Subsidiary acquired pursuant to a Permitted Acquisition (provided that such restrictions were not entered into in contemplation of or in connection with such Permitted Acquisition) and restrictions with respect to a Foreign Subsidiary arising under applicable law and (vi) consensual arrangements with insurance regulators with respect to the Insurance Subsidiary .

7.15. Lines of Business. (a) In the case of the Borrower and its Subsidiaries (other than the Insurance Subsidiary and Legacy Trust), enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the Closing Date or that are reasonably related or incidental thereto.

(b) In the case of the Insurance Subsidiary, enter into any business, except for providing insurance services to the Borrower and its Subsidiaries and activities reasonably related thereto.

(c) In the case of Legacy Trust, enter into any activity not expressly contemplated by the terms of the Trust Agreement as in effect on the date hereof.

Section 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any Loan Party shall fail to pay any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to the Borrower only), Section 6.7(a) or Section 7 of this Agreement or Section 5.8(b) of the Guarantee and Collateral Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Required Lenders; or

(e) the Borrower or any of its Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any 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, or any other event shall occur or condition exist, the effect of which default or other event 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 Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) 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 clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate \$20,000,000; or

(f) (i) the Borrower or any of its Subsidiaries 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 a 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 the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any of its Subsidiaries 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; or (iii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint 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; or (iv) the Borrower or any of its Subsidiaries 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) the Borrower or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 and 408 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not

waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence under Title IV of ERISA to have a trustee appointed, or a trustee shall be appointed under Title IV of ERISA, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate in a "distress termination" or an "involuntary termination", as such terms are defined in Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could, in the sole judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of \$20,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, satisfied, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason (other than, with respect to the guarantee of a Subsidiary, (i) as a result of a merger of such Subsidiary into the Borrower in accordance with the terms of this Agreement or (ii) as a result of a release pursuant to Section 8.15(b) of the Guarantee and Collateral Agreement), to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(k) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Permitted Investors, shall at any time become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d) 3 and 13(d) 5 under the Exchange Act), directly or indirectly, of a percentage equal to 35% or more of the Voting Stock of the Borrower; (ii) the board of directors of the Borrower shall cease to consist of a majority of Continuing Directors; (iii) a Specified Change of Control shall occur or (iv) the Borrower shall cease to own, directly or indirectly, 100% of the Voting Stock of RAC East or Rent-A-Center West, Inc.; or

(l) the Senior Subordinated Notes or the guarantees thereof shall cease, for any reason, to be validly subordinated to the Obligations or the obligations of the Subsidiary Guarantors under the Guarantee and Collateral Agreement, as the case may be, as provided in the Senior Subordinated Note Indenture, or any Loan Party, any Affiliate of any Loan Party, the trustee in respect of the Senior Subordinated Notes or the holders of at least 25% in aggregate principal amount of the Senior Subordinated Notes shall so assert; or

(m) the Trust Agreement shall be amended, modified or supplemented without the prior written consent of the Required Lenders, other than any such amendment, modification or supplement that the Borrower is permitted to make in accordance with Section 8.3 of the Trust Agreement as in effect on the date hereof and that does not otherwise violate obligations of the Borrower and its Subsidiaries under this Agreement;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Revolving Commitments and Term Loan Commitments (and the Lenders' obligations to make Tranche A Loans to the Borrower) shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of LC Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments and Term Loan Commitments (and the Lenders' obligations to make Tranche A Loans to the Borrower) to be terminated forthwith, whereupon the Revolving Commitments and Term Loan Commitments (and the Lenders' obligations to make Tranche A Loans to the Borrower) shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of LC Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent and the Lenders shall be entitled to exercise any and all remedies available under the Security Documents, including, without limitation, the Guarantee and Collateral Agreement and the Mortgages, or otherwise available under applicable law or otherwise. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit, and the Borrower hereby grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a continuing security interest in all amounts at any time on deposit in such cash collateral account to secure the undrawn and unexpired amount of such Letters of Credit and all other Obligations. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Loan Parties hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Loan Parties hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind (other than notices expressly required pursuant to this Agreement and any other Loan Document) are hereby expressly waived by the Borrower.

Section 9. THE AGENTS

9.1. Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such

action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3. Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the

Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6. Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its extensions of credit hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7. Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8. Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent was not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9. Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10. Authorization to Release Guarantees and Liens. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each of the Lenders (without requirement of notice to or vote or consent of any Lender, except as expressly required by Section 10.1, or any affiliate of any Lender that is a party to any Specified Hedge Agreement) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 and the Administrative Agent shall do so if so requested.

9.11. Documentation Agent, Syndication Agents and Managing Agents. Neither the Documentation Agent, the Syndication Agents nor the Managing Agents shall have any duties or responsibilities hereunder in their respective capacities as such.

Section 10. MISCELLANEOUS

10.1. Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such

The Administrative Agent: Lehman Commercial Paper Inc.
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with a copy to: Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attention: Michele O. Penzer
Telecopy: (212) 751-4864
Telephone: (212) 906-1245

The Issuing Lender: JPMorgan Chase Bank
2200 Ross Avenue, 3rd Floor
Dallas, Texas 75201
Attention: Brian McDougal
Telecopy: (214) 965-2044
Telephone: (214) 965-3849

with a copy to: JPMorgan Chase Bank
Loan and Agency Services
1111 Fanin, Floor 10
Houston, Texas 77002
Attention: Christie Tran
Telecopy: (713) 750-2892
Telephone: (713) 750-2352

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

10.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4. Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5. Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and each Arranger for all its out-of-pocket costs and expenses incurred in connection with the syndication of the Facilities, the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel

to the Administrative Agent and filing and recording fees and expenses and the charges of IntraLinks, in each case from time to time on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent (in the case of each Lender, after the occurrence and during the continuance of an Event of Default) for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel (but not both outside and in-house counsel)) to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender and each Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, trustees, employees, affiliates, agents, controlling persons and investment advisors who manage a Lender (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower or any of its Subsidiaries or any of the Properties or the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons without the consent of the Indemnitee and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to so waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 10 Business Days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Robert D. Davis (Telephone No. 972-801-1204) (Telecopy No. 972-943-0113), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6. Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Agents, all future holders of the Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any

such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.18, 2.19 and 2.20 with respect to its participation in the Commitments and the Loans outstanding and other amounts due hereunder from time to time as if it was a Lender; provided that, in the case of Section 2.19, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender, any affiliate thereof or an Approved Fund or, with the consent of the Borrower and the Administrative Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by (i) such Assignee, (ii) such Assignor, (iii) the Administrative Agent, (iv) with respect to assignments of rights and obligations under the Revolving Credit Facility, the Swingline Lender, (v) with respect to assignments of rights and obligations under the Revolving Credit Facility or the Tranche A LC Facility, the Issuing Lender and (v) the Borrower (which consent of the Borrower shall not be unreasonably delayed or withheld), and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that no such assignment to an Assignee (other than any Lender, any affiliate thereof or an Approved Fund) shall be in an aggregate principal amount of less than \$1,000,000, in each case other than in the case of an assignment of all of a Lender's interests under this Agreement, unless otherwise agreed by the Borrower and the Administrative Agent. Any such assignment need not be ratable as among the Facilities. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto, provided that such Assignor shall continue to be entitled to the benefits of the indemnity provisions hereunder for the period prior to the assignment). Notwithstanding any provision of this Section 10.6, (i) the consent of the Borrower shall not be required for any assignment of funded Term Loans or for any assignment that occurs when an Event of Default shall have occurred and be continuing

and (ii) the consent of the Borrower and the Administrative Agent shall not be required for any assignment to a Lender, an Affiliate of a Lender or an Approved Fund.

(d) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Revolving Commitment of, the principal amount of the Loans and Reimbursement Obligations of the Borrower owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide).

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Administrative Agent of a registration and processing fee of \$3,500 (with only one such fee payable in connection with simultaneous assignments to or by two or more Approved Funds), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto; provided, however, that no such fee shall be payable in the case of an assignment by a Lender to an affiliate of such Lender or an Approved Fund with respect to such Lender; and provided, further, that, in the case of contemporaneous assignments by a Lender to more than one fund managed by the same investment advisor (which funds are not then Lenders hereunder), only a single such fee shall be payable for all such contemporaneous assignments.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law. In the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of the Borrower or the Administrative Agent, assign or pledge all or any portion of its rights under this Agreement, including the Loans and Notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, to any trustee for or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities; provided that any foreclosure or similar action by such trustee or representative shall be subject to the provisions of this Section 10.6 regarding assignments.

(g) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (f) above.

10.7. Adjustments; Setoff. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause

such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10. Integration. This Agreement and the other Loan Documents represent the agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12. Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13. Acknowledgements. The Borrower hereby acknowledges

that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

10.14. Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any affiliate or Approved Fund of any Lender, (b) to any participant or assignee or prospective participant or assignee that agrees to comply with the provisions of this Section, (c) to its employees, directors, trustees, agents, attorneys, accountants, investment advisors and other professional advisors or those of any of its affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, provided that in the case of any such request or requirement, the Administrative Agent or Lender (as applicable) so requested or required to make such disclosure shall as soon as practicable notify the Borrower thereof, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document.

10.15. Delivery of Lender Addenda. Each initial Lender shall become a party to this Agreement by delivering to the Administrative Agent a Lender Addendum duly executed by such Lender, the Borrower and the Administrative Agent.

10.16. WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

RENT-A-CENTER, INC.

By: /s/ Mark E. Speese

Name: Mark E. Speese
Title: Chairman of the Board and
Chief Executive Officer

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent

By: /s/ Francis Chang

Name: Francis Chang
Title: Authorized Signatory

(the "Adjustment Date") on which financial statements are delivered to the Lenders pursuant to Section 6.1 (but in any event not later than the 45th day after the end of each of the first three quarterly periods of each fiscal year or the 90th day after the end of each fiscal year, as the case may be) and shall remain in effect until the next change to be effected pursuant to this paragraph. If any financial statements referred to above are not delivered within the time periods specified above, then, until such financial statements are delivered, the Consolidated Leverage Ratio as at the end of the fiscal period that would have been covered thereby shall for the purposes of this definition be deemed to be greater than 2.0 to 1.0. In addition, at all times while an Event of Default shall have occurred and be continuing, the Consolidated Leverage Ratio shall for the purposes of this definition be deemed to be greater than 2.0 to 1.0. Each determination of the Consolidated Leverage Ratio pursuant to this definition shall be made with respect to the period of four consecutive fiscal quarters of the Borrower ending at the end of the period covered by the relevant financial statements.